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# SUNDAY TIMES business news

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## Do British taxes boost our US rivals?

BY KEITH RICHARDSON, Industrial Editor

THE MULTI-ROLE combat aircraft—rope's costliest-ever aviation venture looks like being one of the biggest industrial disasters in British history. It is the increasingly sceptical judgment of leaders of Britain's aviation industry. The mammoth £1,800 million Anglo-German-Italian project is near critical stage of ordering the first prototype. And if the deal cannot be arranged it would, according to the industry's leaders, be better for Britain to pull out and build her own aircraft. British taxpayers' money, it is argued, being used to finance not even man, but American industry, at immense damage to British industry's competitive position, all for the sake of an aeroplane which is not as

good as the RAF wants, nor significantly cheaper than a wholly British aircraft could be. Already the original political concept of the aircraft as a symbol of European co-operation and a basis for a pan-European aviation industry has been lost because much of the all-important electronics work, which in total is more expensive than either the airframe or the engine, is being passed at German insistence to American industry. Through Rolls-Royce and British

Aircraft Corporation, there is full British participation in the engine and airframe. But for the radar and other electronics systems, US industry will supply many of the basic designs and do both development and production work, even though British industry already has the full capability. One result is that British companies, nominally entitled to 42½% of the electronics, could end up as the Ger-

mans certainly will, producing US designs under licence and assembling US-made components. While this would save some production jobs in the short-term, it immediately puts at risk perhaps over 1,000 skilled development engineers in British industry, and does irreparable damage to those companies' future in world aviation. Now the remaining argument for MRCA, that international co-operation

on this scale is the cheapest way of building a good aircraft, is under attack. Critics point out that development costs even on Concorde, with only two partners and a clear-cut job to do, are 50% higher than if it was being built by one company under the control of one Government. But MRCA began as a compromise—for the RAF alone it will replace five different aeroplanes, the Canberra, Vulcan, Buccaneer, Lightning and Phantom. This "flying camel" concept is

to be built by four industries, including the US, for three airforces, and while Governments can always pressurise their own companies to limit cost increases, they will have no sanction at all against US suppliers who prove to have tendered too low. Yet in the interests of compromise, the RAF has already had to accept a lower specification radar than it wanted. And the whole industry assumes that it might well be cheaper, and could certainly not be much more expensive, for Britain to abandon the whole project and build the 400 needed for the RAF completely in British factories to British designs.

War in the air 45

## United front against the \$

BY DAVID BLAKE, Paris, Saturday

FRANCE has joined forces with rest of the world's biggest nations to press for devaluation of the US dollar in terms of gold as part of a solution to the international monetary crisis.

The meeting here today of Group of Ten—deputies representing the principal financial powers—every member other than the US has supported the idea that it is now up to the Americans to do something to end the tangled situation. To now the US has totally rejected any move involving raising the gold price above its present \$35 an ounce and President Nixon has instead called on countries to solve the problem by revaluing their own currencies against the dollar.

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Britain, Canada, Japan, and Sweden as well as the main Common Market countries—are determined to form a united front and throw the ball back into the US court. They are arguing that it is up to the deficit countries, essentially the US, to contribute to finding a solution rather than leaving it to those which are in surplus. This would mean devaluing the dollar against gold but only by a small margin—probably less than 10%—would be enough. The aim is to make the US play the monetary game by the official rules of the International Monetary Fund instead of trying to enforce its own views on the rest of the world. Today's meeting is in preparation for the full ministerial meeting of the Ten on September 15. But neither this meeting nor the full IMF meeting on September 27 is likely to bring any end to this period of floating currencies. This is because other countries are waiting until the US has shown willingness to meet the rest of the world halfway. This it shows no sign of doing. After the conference Paul Volcker, the US delegate, re-emphasised the continual American refusal to budge on the price of gold. And

the US has not even spelled out details of its other demands, such as the sharing of Nato defence costs. While the Nine are in broad agreement on their policy towards the US there is still no detailed unanimity among the Common Market countries—though such an agreement now seems less important because of the consensus reached here today. West German Economic Minister Karl Schiller said in a French newspaper interview that he felt the French economy was strong enough for the franc to be devalued by 3% or 4%, and commented, "I think that France is a little too prudent, a little too fearful. She underestimates the strength of her economy." There are, however, now signs that the French are beginning to moderate their own hard stand on the franc and may at last be ready to revalue as part of a general world package.

## Japan to offer a 9 per cent revaluation

BY CHRISTOPHER REED, Tokyo, Saturday

THE JAPANESE will offer what amounts to a revaluation of just under 9% of the yen if they are obliged to make a decision at this month's forthcoming international monetary conference. This will comprise a formal revaluation of just under 6%, plus a widening of the hands within which day-to-day exchange rate operations are conducted, to 3% either side of par, compared with the present maximum of 1%. This would allow the yen to move up to 8.8% above the present par value. The Japanese appear to have decided on wider bands anyway, quite apart from the horse-trading that is going on within the Group of Ten over new exchange rate parities. It is not believed, however, that agreement on exchange rate realignments would be reached this month. So the

Japanese are prepared for a fairly lengthy period of floating. By Saturday, the yen was trading at just over 6% above its par value. The Bank of Japan was said to be a large buyer of dollars, holding the yen price down. Other Japanese monetary officials feel that no agreement on reforms of the world currency system seems likely unless one nation takes independent action. Japan, they feel, is the one that will have to act, even if it means unilateral action. But a hard line section of government and business leaders are still opposed to any fixed increase in the yen value. Unilateral action, however, is the one thing the Government has denied will happen, and there is

already enough of a rumour going on in Japan over the "betrayal" of flotation for a harassed premier Sato not to dare go back on his word again. One important industrialist even threatened this week to come back as a ghost to frighten the Government. The president of Japan's biggest shipbuilders, Ishikawajima Harima Heavy Industries, Kenzo Taguchi, whose company has outstanding receivable bills in foreign currencies of \$1,100 million, said "If the Government fails to compensate for the whole loss that the shipbuilding industry will suffer after yen revaluation, my spirit will haunt the Government after my death." Leading the tough talk on the yen was the president of the

Bank of Japan, Tadashi Saeki, who said on Wednesday that Japan might press the US to devalue the dollar. He said the bank and the Finance Ministry were determined that Japan would agree to revalue the yen only as part of a multilateral realignment of important currencies. But he added: "There is considerable doubt that the current monetary crisis can be overcome through multilateral negotiations without a clear prospect of the US abolishing the 10% surcharge." Then his officials admitted on Friday that the reduction of Bank Rate in England put renewed pressure on Japan to revalue. England and Japan now have a "toasted sandwich" laid with Japanese officials hinting that the Bank of Japan might again lower its rate.

mean business. Sandwiches also score the hell out of them. The end result should be either a replacement for whatever it is you wanted in the first place or a signed letter promising a delivery time and date. I once got the cash for an insurance claim in 8 mins 30 secs this way. ADRIAN HOPE

### Brighter butties

In a dogged attempt to raise the standard of pub food, Ind Coope is repeating last year's competition for the best pub sandwich. Of course, any licensee could make an enormous effort just once, but the brewer has foiled such practices in advance by insisting that all competition entries must have been served for at least a month before the judging. This should make landlords think hard about the economics of their offering, and also cut out some of the more fanciful efforts. For most people, the essence of the pub sandwich is that you can manage it with one hand. Last year's winners set a good example. The first prize winner was Mrs Stevens of the Trout Inn, Tadpole, near Farnington, with an open toasted sandwich laid with grilled trout and the runner-up offered plain, prime beef with horseradish and mustard. One of the problems is that some landlords cater rather closely for their customers. A Londoner served what he called a "cockney delight", which was mashed potato, onions and sliced pork sausage served on toast, and a pub near Petersfield offered toasted French bread topped with two cooked fish fingers covered with a cheese slice and sprinkled with crushed peanuts. Quite enough to drive anyone back to the draught. The first of the semi-finals will be held next month, so if you know an Ind Coope landlord good enough to enter, or have a recipe of your own, you'd like to see more widely used, tell David White, at Allied Breweries, Allied House, St John Street, London, EC1P 1AR.

### Cork steaks

It looks as though all the gloomy predictions about sharp price rises for beef may turn out to be unjustified. Despite the recent drop in slaughtering figures, total supplies of British beef look likely to be about the same as last year's, and some cuts were cheaper last week than they have been for months. One reason for the improvement is a build-up of imports—we could well be talking about "the roast beef of Old Ireland" before long. The Republic is fast replacing Argentina as a supplier of carcass meat and live beasts for fattening—shipments to Britain are currently running at 100,000 tons a year. An enterprising farmers' co-operative, Cork Marts Group, has 35% of this business: it has trebled its shipments of live cattle to this country in the past year and plans to send even more during the next few months. Charter ships bring the cattle across for a 10-week rest and fattening break with home farmers before they are sent for slaughter. At the end of this period the meat can legally be labelled "home-killed" (or "Scottish" if it had rested north of the border) and often was. But now Irish beef is coming to be respected in its own right.

When will the Post Office learn about postal codes? This letter arrived just as shown—with the correct postal code and the Post Office's translation scrawled underneath. As you struggle with those absolutely unmemorable, untypable, infuriating combinations, be cheered by the thought that the Post Office doesn't understand them either.

**SHOP!**  
Edited by BRENDA JONES

### The way of Hope

THE STORIES I ran last week and the week before, about servicing problems prove one thing: private industry has just as many curious customers as the nationalised ones, and getting satisfaction from them is just as difficult. This is the best advice I've received so far: Dear Brenda Jones, I have made a hobby over the years of getting service and finding the best way of stirring firms who quibble or just don't do anything. The various ways you have passed on are all very well, but suffer from the disadvantages of being slow and thus very frustrating. To my mind there is only one real solution. Gather together several children (I take my own two, plus one of their friends who is a budding demolition expert), give them sticky sweets and ice-cream, harmonicas, toy trumpets, drums and cap pistols, and go to the offending showrooms at the busiest time of the week (Saturday morning is often very good). Then explain politely but firmly to the assistants (and usually very soon also to the manager, who will appear as if by magic) that you have all day and will be happy to wait until something is sorted out your way or another. Make no efforts to control the children, whatever except to murmur ineffectually like "Please don't play with that plant pot"—and read either magazines or a book you have taken. I also take a flask of coffee which is useful in that, quite apart from being nice to drink and ensuring that the kids whine for a toilet before too long, it shows the staff that you

## £3.6m thaw in Berlin siege

THE FIRST commercial coup following last week's four-power agreement on Berlin has been pulled off by a South London firm. After 10 months' delicate negotiation, the little-known H & R General Job and Stock Buyers has bought £3.6 million worth of goods stocked up by the Berliners fearing a siege from the Communist borders surrounding the city. The City Fathers, encouraged by the apparent recent thaw in the cold war, have decided that life in Berlin is now not nearly so dangerous. As a gesture of confidence, they have decided to unload 10% of their stockpile of everyday goods and chattels,

which probably cost £100 million in 1961, when the Wall was built. In those days eight months' supplies were kept, even down to stuff like cooking fat, which is still checked regularly and replaced as soon as it shows signs of going off. Twelve million yards of cloth, several hundred dozen coats, suits and dressing gowns, and over one million pairs of 1961 vintage shoes have been knocked down for £3.6 million, or 36% of the stock's original value. The consortium, headed by H & R General, has been heaving away in the face of stiff East European competition, with the help of consultant Harold Anten,

merchandise director of Great Universal Stores until his retirement last September. "We've been travelling back and forth like any London-Brighton commuter," maintains Anten. But the temptation of those four bulging warehouses—all with meticulous humidity control preserving the cloth in mint condition—was a sufficient goal. "It's the biggest textile parcel I've ever heard of and I've been in the business 30 years," says Anten. Hence the interest of barter-conscious East European countries like Hungary, not to mention all sorts of middlemen who reckon there is still a market in

the developing countries for stiletto-heeled, pointy-toed, 1961-vintage women's shoes. This is why the figure offered by the British group had to rise steadily from £2 million last November to the clinching price of £3.6 million. "Raising the finance presented no problem," maintains Anten "because all the purchase price does not have to be passed over at once." It could take 18 months to sell all the stock (which must not be put on offer in West Germany), and 10 long freight trains will be needed to transport it out of Berlin.

Gwen Nuttall

## Cattle rustlers hit our roadside farms

BY GRAHAM ROSE

CATTLE RUSTLING has reached such a pitch in Britain that many farmers are considering attaching warning bells to one animal in 20. The Wakefield station of the West Yorkshire police is dealing with reports of calf thefts from six farms over the past month just in its area and officials of the National Farmers' Union have heard of rustling in many other parts of Britain.

The loss in income to farmers as the result is difficult to compute because since the 1969 Theft Act independent statistics on livestock thefts have not been maintained and as Frank Marsden, County NUF secretary for the West Riding of Yorkshire explained, "In the whole Pennine area, particularly in Lancashire, Yorkshire and Derbyshire, losses are now so commonplace that many farmers don't even bother to report them—they just accept them as a fact of life. They realise the police have little chance of discovering the culprits because the animals range over thousands of acres of wild moorland and are slaughtered before they are missed."

Whether they report their losses or not, many farmers in the Bolton, Bowland or Waddington areas of the West Riding are investing in savage guard dogs as a deterrent to the rustlers, who have recently become sufficiently well organised and audacious to remove calves from the actual farmsteads. "As well as arming the bandits, I seem to be providing them with a livelihood."

Most of the thefts take place fairly close to trunk roads where there is speedy access to a market. Farms close to the A59 leading from the Pennines into the Lancashire urban complex are particularly prone to thefts," Marsden explained. West Yorkshire Police suspect that the whole process, from theft to the butcher's chill room, takes less than 24 hours. Once the animals have been slaughtered and the carcasses dressed, there is no way of telling whether they have been stolen or not. To avoid detection, thieves in West Yorkshire last year slaughtered sheep in the field and only removed the expensive cuts of meat.

One Oxfordshire farmer and contractor who is sure about his losses is Jack Hatt of Goring Heath, who was in the news a fortnight ago when a load of gelignite (which he uses in his contracting business) was stolen from his premises. He recently lost seven "in-calf" pedigree Guernsey heifers worth over £1,000. Since they obviously wouldn't be very suitable for slaughter, he concludes that they will have been sold in advance to unsuspecting dairy farmers looking for replacements for their herd.

Quite understandably Jack Hatt is starting to feel victimised, since the animals were taken through the gate that was later used to steal his explosive. "As well as arming the bandits, I seem to be providing them with a livelihood."

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## Memo to Sunley: merge

WHEN WILL Bill Shapland merge Bernard Sunley Investment Trust with Blackwood Hodge? Friends of both companies admit that Shapland, deputy chairman and managing director of the £55 million Sunley property and construction company, wouldn't take much persuading to agree to formalise a merger which has existed at top management levels for many years. He is, after all, chairman of Blackwood Hodge, the world's largest distributor of earth moving equipment, and the two companies share four common directors. In addition, the directors and Sunley family trustees control 40% of both companies.

The problem is that although a merger would make sense for both companies, its advocates remember too well Bill Samuel's unfortunate flirtation with Metropolitan Estate. Property companies have a kind of sacred mystique which is difficult to shake. Bricks and mortar form an effective mental slogan against inflation. But the property game is changing fast and it is time to question whether the price of immutability is not too high.

Sunley's accounts last week show how vulnerable it is. True, profits rose last year from £1.03 million to £1.04 million, but £356,000 of the increase came from a turnaround in the building division where just one contract (Horseferry Road) had over the years lost the company £11 million and £257,000 came from the volatile and uncertain property and investment dealing activities. Rents, by far the major item, rose by a mere 6%. And since Sunley has eschewed develop-

ment in the past few years, rents will remain static until 1975, when there should be a resumption of growth.

Sunley's problems date back to 1965, when it was plausibly over-borrowed. Its equity base of £11 million then supported borrowings and other liabilities of £27 million. So the residential properties were sold and the balance sheet cleaned up. The latest accounts show shareholders' funds of £37.8 million against £15.6 million of debt, though that healthy position does owe something to the £16 million revaluation surplus last year.

What Sunley needs to maintain its rating is immediate income. It is the one thing that Blackwood Hodge is really geared up to provide. In the past 10 years, riding the back of the world's development programmes, Blackwood Hodge's sales have risen from around £15 million to £73 million. Profits have kept pace with a rise from £689,000 to £4.2 million. In the current year which ends in October, the forecast £5.2 million should be met despite slower sales and fears that the Nixon import surcharge could set back demand in some of the important territories—Canada and Australia (which supplies Japan) being the obvious trouble spots.

Over the next five years, the targeted expansion programme is spectacular. Earlier this year, Shapland was willing to admit privately to a five-year target to increase profits to over £10 million by 1975. But this would need substantial cash resources for stocks, buildings and facilities around the world. Much of Blackwood Hodge's work is in

fact financed through short-term bank borrowings, and though there is no anxiety about the company's ability to borrow at current levels of activity, net borrowings of £12.7 million against an equity base of £14.6 million illustrates the kind of problem Blackwood Hodge is up against. The assets brought in by Sunley would eliminate any possible borrowing problem: of the £37 million property portfolio, some £10 million is completely unencumbered. And it would be put to use merely by owning it.

The commercial argument therefore is whether Bernard Sunley on its own can increase the rate of growth of its income at the same rate as a combined Blackwood Hodge-Bernard Sunley group. Since 1967 (the first full year after corporation tax) Blackwood Hodge's earnings have risen by 2%, 12%, 22%, and 64%. Sunley's have grown erratically by 32%, 8%, 2%, 43%. With the upturn in building, Sunley is forecasting a pre-tax increase of 12%. But building cycles are volatile. Sunley's rental increases will be relatively static over the next four years. Blackwood Hodge, on the other hand, could well be on the way to doubling its earnings.

Sunley's purely property status is already diluted by its construction activities. With Blackwood Hodge's world-wide earnings stabilising the stop-go profits of construction, and with Sunley's assets buttressing Blackwood Hodge's fast expansion, a merger would be a very good deal for everybody.

Aziz Khan-Panni



David Samworth: "Fine tuned to pork pies"

NEW ISSUES

## Quality control? all in the mouth

AT ELEVEN in the morning, David Samworth bounces with enthusiasm about pork pies: he points out the spread of the pastry, the delicate perfume, the true colour of the meat; he enthuses over baking pies in a hoop, not a tin. All that enthusiasm, shared by fellow directors who claim palates "which are fine tuned to the pies" backs Pork Farms Ltd, the Nottingham-based meat products group which goes public at the end of this month.

It is a curious company—its net assets are a trivial 10p a share, it has no current liabilities. David Samworth found brokers unwilling to believe he was not on the verge of bankruptcy. But in fact those net current liabilities reflect a business where 80% of deals are for cash on the nail; you buy a pig on Tuesday, sell it in pork pies on Wednesday, and settle up with the pigman the next week. In 1970-71, Pork Farms made £278,000 pre-tax profit from a £4.4 million turnover; this year, it expects well over £350,000 from a turnover expected to be £5 million plus. Sales from wholesale sales, the base of the firm's business, are already more than 20% up.

Pork Farms is an amalgam of meat firms in the East Midlands and the North-East; it grew from the pork butcher shops of the Midlands through experiments in retailing—cutting tea prices before the supermarkets thought of loss leaders—to its present organisation, with 90 vans serving mainly independent grocers in chains like Spar and Vivo, and a set of retail shops mainly in Nottingham.

Samworth keeps the names of individual firms alive—Pork Farms at the top of the market, Parris slightly down the line—for solid commercial reasons: rationalising production makes sense, rationalising brand names does not because of local loyalties and flexibility in marketing. But Pork Farms has cleaned up its subsidiaries—buying for earnings, not assets—and boosted their profitability by week-to-week control. Quality control stays with the directors. "It's not on the slide-rule, after all," Samworth says. "Quality control is in the mouth."

Pork Farms is a family business—Samworths, confusingly, running a firm called Parr, and the Parr family run original Pork Farms. It is a craft business, a makes a blinder of the sausage, and own-label one of the biggest chains. Pork Farms sell at premium prices a 1 lb pie, against 22p national brands. And going North rather than South, to the Midlands area, with a section Anglia. The current for geographical by acquisition—it is a potted beef firm in the North rather than the "They're great pie" there," Samworth says. Farms' only London where Brazils would be competition—are shops num and Mason.

Unlike other meat firms, Samworth gets a benefit from the bacon stabiliser, a meat subsidy which cheap Danish imports annual gross from subsidies £70,000, and Samworth he can hold his profit. The stabiliser goes, entry, meaning dear prices, is actually a bull, producers of meat produce are cheap per pound, a limiting factor now is capacity—soon to be a new plant outside London.

MEANWHILE in August, City shot grouse. Until the market's only new way of an introduction been expected to open but instead, it shot to £3.42 the company at £2.42. Director Gordon Macpherson Moore, admitted that the market how the market the Unitech's blend of rent, fashionably electronic, paid off handsomely.

Unitech ended the 90p, and a 22.5 p/e w classes, the 10.2 p/e market gives to Pantiya, ciate company which co a third of Unitech's. Which is decidedly of Unitech will now try to valuable paper to mop 62% of Pantiya, which not already control, most of the point of the

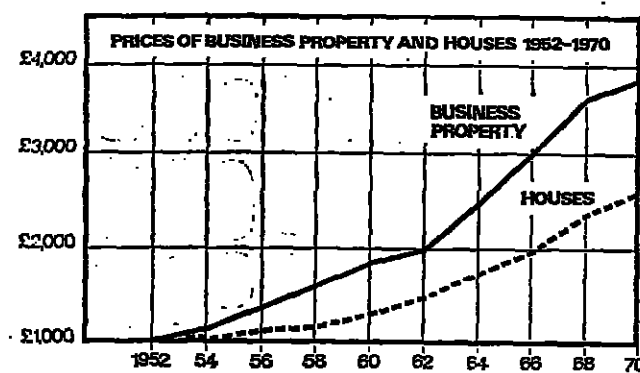
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The Fund is split into Units which are valued twice a month. The resulting offered and bid prices are published in The Daily Telegraph, Financial Times and other leading national newspapers.

### How do I cash my Bonds?

You can cash-in your Bonds at any time, and will normally receive a cheque within a few days.

To protect Bondholders' interests, the Company may, in exceptional conditions, defer payment for up to six months. This will not apply in the case of the death of a Bondholder.

### What are Hambro Life's charges?

The offered price of Units includes an initial charge of 5% and a rounding-up charge on unit trust principles. In addition, Hambro Life receives an annual charge of 3% of the value of the Fund. This covers the life assurance, as well as the Company's charges.

The costs of buying, selling and managing the properties, as well as valuation fees, are paid out of the Fund, and will not exceed the charges laid down by the Royal Institution of Chartered Surveyors.

### Annual Report

Every year, you will be sent an Annual Report, giving a full description of all the Fund's properties, the names of tenants and details of rent reviews, together with independent valuations.

### How do I buy Hambro Property Investment Bonds?

Simply complete the application form and send it in with a cheque for the amount you wish to invest. Your application will be acknowledged within a few days.

Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.017. Offer closes on Friday 10th September, 1971.

The death benefit is a percentage of the cash-in value of your Bonds, depending on your age at death. Specimen examples are set out below (a full table appears in the Bond policy).

Age 30-250%  
Age 40-150%  
Age 50-100%  
Age 60-75%  
Age 70-50%

These benefits come into force only upon the acceptance of your application by the Company, which reserves the right to refuse to issue a policy if you are not in good health or for any other reason. Completion of this form will be held as an application for the issue of a policy, and the Company reserves the right to refuse to issue a policy if you are not in good health or for any other reason. This advertisement is based on legal opinion regarding present law.

### ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange, London, for permission to deal in and quotation for the whole of the issued share capital and £10,000,000 nominal 8 1/2 per cent. Partly Convertible Unsecured Loan Stock 1981 ("the Loan Stock") of Slater, Walker Investment Trust Limited ("the Company").

The Application Lists for the ordinary shares and Loan Stock offered will open at 10 a.m. on Tuesday, 9th September, 1971, and will close on the same day.

## Slater, Walker Investment Trust Limited

SHARE CAPITAL		Issued now to
Authorised	Issued	Issued
£10,000,000	£10,000,000	£10,000,000
20,000,000 ordinary shares of 50p each		£6,250,000
LOAN CAPITAL		To be issued
Authorised	Issued	Issued
£10,000,000	£10,000,000	£10,000,000
8 1/2 per cent. Partly Convertible Unsecured Loan Stock 1981		£10,000,000

The Company and its subsidiary, Old Change Finance Limited ("Old Change"), have outstanding mortgages, debentures, loan capital, bank overdrafts or similar indebtedness, purchase commitments, guarantees or material contingent liabilities other than in respect of the Loan Stock and a liability to pay the preliminary and issue expenses mentioned in the Prospectus.

## Slater, Walker Limited

on behalf of the Company

Offer for Subscription

12,500,000 ordinary shares of 50p each at £1 per share and £10,000,000 8 1/2 per cent. Partly Convertible Unsecured Loan Stock 1981 at par Payable in full on application

The Directors are aware that firm applications will be made for 8,125,000 ordinary shares and £6,500,000 nominal of the Loan Stock which will be allotted in full.

### Introduction

The Company has been formed by Slater, Walker Limited in order to invest, principally in companies whose underlying assets are in excess of their quoted market price and whose substantial medium term appreciation in value is likely to be realised as a result of takeover, mergers or internal reorganisations. The Company's investments will be managed by Slater, Walker Investments Limited ("the Managers") who already manage funds of £100 million. Investment trusts, companies and private clients, having an aggregate total of approximately £100 million. The Managers are particularly experienced in the evaluation of investment in the type of investment opportunity in which the Company will specialise.

Subscriptions are invited for 12,500,000 ordinary shares and £10,000,000 of Loan Stock. Slater, Walker Limited, as an investment firm, is authorised by the Companies Act 1965 to act as a promoter of the Company and to act as a manager of the Company. The Company will be a public company and will be listed on the London Stock Exchange. The Company's registered office is at 10, Abchurch Lane, London EC4N 3DF. The Company's principal place of business is at 10, Abchurch Lane, London EC4N 3DF. The Company's principal place of business is at 10, Abchurch Lane, London EC4N 3DF.

### Gearing

The Directors feel that gearing is an important factor in achieving capital growth particularly in times of severe inflation and that the present high cost of borrowing is likely to be more than offset by future capital and income growth. The Company will have available an 80 per cent. gearing factor until such time as the Company's investments are sold and accordingly any rise in the value of its portfolio will result in a proportionately greater rise or fall in the value of the shares now being issued.

### Investment Management and Policy

The investment policy of the Managers will be designed to achieve an above average rate of capital growth and investment will initially be confined to United Kingdom quoted securities. The only restriction placed upon investment under the Memorandum and Articles of Association of the Company is that not more than 10 per cent. of the Company's portfolio can be invested in securities of any one company. The Company reserves the right to acquire control of any company in which it has a substantial holding. The Company may also acquire control of any company in which it has a substantial holding. The Company may also acquire control of any company in which it has a substantial holding.

### Taxation

The Company is not a close company and its status is not expected to change after this issue. It is the intention of the Directors to ensure that the Company will mainly be controlled and managed by Slater, Walker Limited, who are exempt from capital gains tax and will be able to claim the benefits of the provisions of the Finance Act 1965 and to apply to the Inland Revenue for approval of the Company as an investment fund. The Company will be a public company and will be listed on the London Stock Exchange. The Company's registered office is at 10, Abchurch Lane, London EC4N 3DF. The Company's principal place of business is at 10, Abchurch Lane, London EC4N 3DF.

Copies of this Prospectus, incorporating the Application Forms, on terms of which alone applications will be considered, may be obtained from the following:- Slater, Walker Limited, 10, Abchurch Lane, London EC4N 3DF; Joseph Sebag & Co., 3 Queen Victoria Street, London EC4N 3DF; and 6 Brunel Street, London W1X 7AG.

and from Midland Bank Limited, New Lease Department, 1, Row 518, Austin Film House, Austin House, London EC2P 2HU and all principal branches of Midland Bank Limited.



Business news City, investment, money

# Steer clear of this funny money

THE BULL market generates funny money for take-bids — some new-style bids that will give a bid any capital value and convince the market that the bidder is getting in cheap, equally surely that paper looking happy when the bid is made. It was the sounding convertible loan with low interest rates, those backed by good companies like Thorne or Bowring, which fell by around 30%, and of the American Eurodollar, which are now virtually worthless.

Now a far more dangerous money has suddenly come into fashion. In two shares, holders in Cunard, and insurance-broker, have been offered share warrants in packages.

These warrants are really just options to buy a company's shares in future years at a predetermined price, usually less than the shares would cost. They have a respectable reputation on the obscure and peripheral of finance. An instance of an investment like Thane recently, may be a warrant to provide an active highly-gear holding few sophisticated investors out over-gearing the trust. Institutions like insurance companies and pension funds prefer a loan stock sweet by subscription warrants to a company's shares.

But if, as seems likely, any investors are to be bought with warrants at a price below the shares, then the massive drawbacks of the system will come all too soon. There are three problems for investors:

Warrants are very risky. There is no intrinsic backing, no to any assets, interest or dividends. Your option to buy depends for its value on the price of the shares being bought. Hence if you had a warrant to buy ICI at 15% above the current price, the next year and ICI had doubled, the price of the warrant might rise several times over. But if the price of the shares fell, the price of the warrant would fall. So a warrant is not a loan and is not a share.

There is no precise way of valuing a warrant and no accepted way. Even if one agrees that a bidder's price is fair, any quoted price for a warrant is open to question. Warrant specialists that the simplest approach is to assume a rate of growth in the share price and deduct the discounted future price, giving for dividend foregone

in the meantime (assuming a rate of growth in dividends) and the interest you can make on the money you do not have to pay out now. There are many more complex formulae. All of them involve guessing a rate of growth for the shares offered between 8-12% a year. Few people in the City understand any of them. Even a banker who is currently offering warrants in a bid could not tell me on Friday how he had valued them.

As a result of these absurdities, dealers in warrants bear no relation to formula value. The market is dominated by short-term speculators, and prices swing about as the speculators are feeling bullish or bearish. This exaggerates the basic risks. In a buoyant market like today's, most warrants are standing way above most formula valuations. If stock prices turn down, warrants could plunge straight into the ground.

So far, bidders offering warrants have been responsible enough to offer a cash or share alternative and warrants are currently buoyant so no one has lost out. Those for Capital & Counties, National Westminster, Bill Samuel and others have been very profitable. Trafalgar warrants have just opened at 48p against an expected 40p.

But funny money so often starts out in responsible hands. Already less scrupulous eyes are looking hard at the possibilities, and once a variety of warrants are quoted we can expect bidders to try to foist them onto accepting shareholders on the basis of meaningless quoted market values. The best safeguard is that the Stock Exchange will not normally grant quotation to warrants where they involve subscription rights to more than 10% of a company's capital, because warrants could then threaten dilution, have an effect on the price of shares. Slater Walker has had to come to an arrangement over its bid for Wigham. If all Wigham shareholders accepting its bid opted for warrants, exercising these could add more than 10% to SW's share capital.

Institutions have voted with their feet against warrants in the Truman bid by selling their shares in the market. Investors too should stay clear of this new funny money.

## Chateau Profit

WHEN will drink shares catch up with the sensational boom in drink sales? In the first six months of this year, wine sales leapt by more than a quarter. True, those figures need qualification. This is the off-season for wine sales; the last quarter carries 40% of the year's business, and the Christmas rush is harder to

expand. The trade will be happy to see a 12% rise for the whole year. But even that shows that the upward trend in wine sales is accelerating. Shares still suffer from the bad old days of steeply rising duty. But with Britain in Europe, duty levels will stabilise. The British, knocking back only five bottles a year each, might get nearer to West Germany's 22, challenging the French and Italian 150 bottles will take longer.

The growth area now is in supermarket sales; one in four is licensed today, against one in 20 four years ago. Supermarket chains like to shop around among smaller shippers. But they are also selling more and more British wine, now up to a quarter of their liquor sales. Allied Breweries dominates that market, with VP and Whiteways subsidiaries. One third of its profits come from wine and spirits, through Harveys, Showers and the Grants of St James's importing business. Allied's rating should be on the up. My old favourite, Matthew Clark, also shares in the British wine boom through Barchester Wines and Stone's Ginger, as well as shipping big-name up-the-market wines and liqueurs. International Distillers—wines from Justerini and Brooks to Brown and Pank

—look good value on a similar P/E of 17.4. Traditional heavy wine groups, Sandeman and Williams and Humbert have already had good runs, further boosts depend on bid hopes. And bids also make International Stores attractive: its 370 wine and spirit licences should offer the biggest proportional benefit among retailers.

## It's that man again

WHEN JIM SLATER launches a £22.5 million investment trust from scratch—by far the largest such operation since the war—I shall be a happy man. Slater Walker, which already has a guiding hand in practically every significant takeover bid going the rounds, really need another £22.5 million to buy positions in stocks that he, his client companies or some other bright spark is after? Slater assures me this is not the purpose and that the trust will be run quite separately. But it will be surprising if there are not some coincidences.

The trust will be dealing in the sort of situation stocks in which the parent company has made so much money. Without the unit trust problem of redemptions, with the ability to invest up to 15% of the portfolio

in any one stock and without the need to publish a portfolio, the trust's managers should have a good deal of fun. They should even make money.

But many of the market's professionals are wary on two counts. Although underwriting was understandably easy this is a lot of trust to absorb in one go. Moreover the trust itself may run up against problems. The 80% capital gearing (or debt) that the trust will start with put a strain on income.

The trust's relatively high charges (1% of the gross portfolio), its expected high level of dealing expenses, its substantial interest requirement for the £10 million 8% convertible loan stock, and the loss of dividends from stock turned over, implies that if the trust is to maintain its 2% dividend yield, its underlying investments would need to yield on average rather more than 5%.

Another problem is that the Inland Revenue is concerned to prevent investment trusts from dealing too rapidly. Although no specific ceiling has been set, it is widely believed that a trust turning over more than 30% of its portfolio a year might lose its investment trust status and hence advantageous capital gains tax position.



Jim Rowland-Jones: still in with a chance

## Mis-Alliance

SMALL shareholders in Raglan Property last week learned the sharpest lesson about how bid battles really work. They cheered and applauded as their champion, chairman Jim Rowland-Jones was given an overwhelming vote of confidence on a show-of-hands vote; but the cheers died down when the results of the full poll were known. Alliance Property, led by absent Major George Webb, had cornered 17 million of the 26 million votes cast: it has more than 24% of Raglan's equity. On a technicality, Rowland-Jones was voted out, Webb and his associates were not voted in. The Raglan board had hastily to co-opt its chairman back.

This inconclusive stage in a long-standing three-bid battle for control of Raglan shows just how vulnerable small shareholders can be when bigger financial fish are swimming closer to their company.

Even now a victory for the tedious Alliance steamroller is not quite certain. Rowland-Jones, back as chairman and still with powers to issue shares, could push out Raglan paper to friendly parties; his next test is at October's annual general meeting. Webb still has to win his way on to the Raglan board, and block share issues. But can Rowland-Jones still protect his punch-drunk small shareholders from the brutal facts of City life?

Now at £60,000,000, the Abbey Property Bond Fund is bigger than all the others put together. That's why we can give you a stake in the best properties around.



Arundel Towers, Southampton. One of eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.

Property Bonds have now become a fully accepted and successful method of investment. None more so than Abbey Property Bonds.

So much so that, at the time of writing, our fund stands at £60,000,000.

With this behind us we can purchase, on favourable terms, large individual properties costing millions of pounds each. (As illustrated by Arundel Towers, Southampton, shown on the right, which is valued at over £2,500,000.)

Most other funds just cannot afford such large transactions.

Obviously, investment on such a scale brings rewards on the same scale, both in growth and security.

In the last 12 months alone, Abbey Property Bonds rose in value by 11.0% (including the reinvested rental income net of tax). To achieve the same result a standard rate taxpayer would have required a gross income of 15.5% on his money.

In the same 12 months, investors continued to place an average of over £2 million with us each month.

Which should enable us to move on to even bigger and better things.

## Security

The Abbey Property Bond Fund is the biggest and most successful in Britain. We have 30,000 Property Bond holders with an investment of £60 million.

Abbey Life itself, one of Britain's best known Life Assurance Companies, with assets exceeding £130 million, is a member of the £2,800 million ITF Group.

## Built-in Life Assurance

As long as you hold Abbey Property Bonds, which are single premium life assurance policies, your life is assured automatically, at no extra cost.

In the event of your death the amount payable to your family will be either the current value of your Bonds, or, the amount shown on the life cover table on the application form — whichever is the greater.

Naturally, if you've withdrawn money from the Fund, the amount of life cover will be correspondingly less.

## 6% p.a. Tax Free

Provided you make a single investment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your Bond each year — entirely free from Income Tax and Capital Gains Tax.

Provided total annual appreciation is not less than 6 1/2%, your Bond would retain its original value (calculated at the offered price of the Units).

The annualised growth rate achieved has in fact exceeded 6 1/2% since the Bonds were introduced.

## Income Tax & Capital Gains Tax

With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income, at the special Life Assurance Company rate — currently 37.5%.

The Company also makes a deduction where appropriate from the value of cashed-in units to cover its own Capital Gains Tax liabilities. These liabilities are not adjusted for in the Unit price but in present circumstances the Company limits the deduction to two-thirds of the full rate of tax.

## Surtax

Surplus payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisos which enable a surtax payer to reduce, and possibly eliminate, the liability and very high surtax payers should contact Abbey Life for precise details.

## Investment Policy

The Abbey Property Bond Fund is invested in top industrial and commercial properties with really sound tenants. To name but a few — National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots. The Property Division of Hambros Bank are the Fund Managers.

Because the value of some types of properties were lower during 1970, some particularly attractive purchases with very good long-term growth prospects were made.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance. Up to 25% of the Fund can be applied in this way.

## Regular Valuations

The Fund Managers carry out a valuation of the Fund's properties once a month.

These valuations are independently audited by Richard Ellis & Son, Chartered Surveyors. Unit prices are published daily in leading national newspapers.

## Low Charges

To pay for life cover and management expenses, Abbey Life charges 5% — which is included in the offer price. Plus a small rounding-off price adjustment.

After that charges total only three-eighths per cent a year.

All expenses of managing, maintaining, and valuing the properties as well as the cost of buying and selling the Fund's investments, are met by the Fund itself.

## Cashing in Your Bonds

You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjustment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer payment for up to six months pending realisation of properties.

However, the Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

## Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

As a new Bondholder you'll receive a current Annual Report with your Bonds.

## How to Invest

Fill in and post off the completed application form, together with your cheque.

As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.

## o fall in September

### MARKETMETER

September could be a good time for shares. The one whole bank rate cut may have directed at outlying areas and be irrelevant to the economy. But psychologically it was the best thing that could happen to the stock market. The other, good half, results from ICI, did not help, but still the Times index rose 0.45 points to 168.73. As the holiday draws to an end and the City men have to make up their minds on which way the market will go, it will help sway the doubters. Many institutional investors reckon prices are too high, which would reduce company earnings. But several of the recovery sectors will, like financial services, be turning in strong figures. This should be enough to sustain the general feeling that things are better. The Wall Street index, after a week of recovery, is now in plenty of ground, in institutional private hands and eager to buy. A few more shares.

Not Ryan of Ryans Tourist, star of the Dublin Exchange, is back in the market with a tiny bid. The first in Ireland for Ryan-Traders Distributors trading profits rising up to £2.70, and a motor component engineering equipment for Lucas like A. C. Deleco and Lucas, is offering 175,000

## t those systems go

### TIME TO BUY

SYSTEMS, has an image. It is actually doing very well out of the fast-recovering industries. But its range of products from concrete vibration grouting equipment to pre-stressing concrete cable connectors is in the market as some suspiciously near the end of the electrical engineering industries and there is no reason to believe that it will not continue to do so. Disappointing year figures seemed to these suspicions. As a result, it has just missed out on a building shares and is now standing at a disappointing half-year result. Looking at it was in fact of accounting changes, the declared profit for the month to last November apparently fallen from £163,000. But the 70-71 results, due next, will show an improvement year's £324,000 and I am around £340,000. This 8% P/E ratio to be more than 8%.

Because of the lag between production activity and CCL's OK, the marked upturn in activity is only just beginning to come through. It is a splendid opportunity for

those who missed the earlier boom in building and construction shares. Meanwhile CCL's exports are roaring ahead. The nervousness over steel bridges following the Yarra disaster in Australia could dramatically raise demand for pre-stressing equipment. And with motorways (all those pre-stressed concrete bridges) providing a solid and profitable base for CCL's products, the upturn in profits should reasonably be at least 20%. This would drop the prospective P/E to 6.4.

The question is what rating should CCL have? The building materials sector average of 20 would be misleading. The average of engineering stocks is 15. Though small, the market in CCL shares is relatively free. The profit record is good: in 1969 and 1970, profits were raised by 30% a year. And the 4.7% yield is attractive. With profits on the upswing again, a 6 1/2 projected P/E is absurd. A more realistic but still cautious projected P/E of 9 would imply a price of 45p.

**Buying price:** 32p;  
**1971 high:** 38p; **low:** 27p;  
**Yield:** 4.7%;  
**Estimated P/E:** 8;  
**Latest estimated profit:** £340,000.

Aziz Khan-Panni



# you can now get a factory at Livingston rent free for 5 years

or a 45% government grant for new factory development

plus all these

- Operational Grants of 30% of eligible wage and salary costs for first three years.
- Mortgage facilities from the Development Corporation.
- Training and settling in allowances for workers.
- Government loans for machinery and working capital.
- Modern housing at attractive rents for workers plus Executive sites for rent or owner-occupation.

Excellent load-bearing industrial building sites. First-class communications. Livingston is situated on the M8 Motorway only 15 minutes from Edinburgh (Turnhouse) Airport, with port facilities nearby at Leith and Grangemouth. Less than half an hour's drive takes you to the City Centre of Edinburgh, picturesque Capital of Scotland with its Festival and its world-famous Universities.

Full details from the Chief Estates Officer, Livingston Development Corporation, Livingston, West Lothian. Tel: Livingston 31177

**Livingston: The Pacemaker**

## ECONOMIC GROUP LIMITED

Extracts from the Statement by the Chairman Mr. J. S. Hine, F.C.A.

- Your Directors have been pleased to announce an increase in net profit before taxation at £248,000 for the year ended 31st March 1971 compared with £193,000 for the fifteen months ended 31st March 1970. It has not been considered necessary to make any provision for Corporation Tax on the profit for the year as it is estimated that this will be fully offset by tax losses. In addition there will be no charge for taxation for some years on profits arising in Braby Group Limited, one of our main subsidiaries, as there are tax losses amounting to at least £2½ million to be carried forward.
- A final dividend of 35% is proposed making 50% for the year, compared with the same figure for the longer period of fifteen months ended 31st March 1970—equivalent to 40% on an annual basis.
- Following the acquisition of Braby Group on 25th June 1970, the year under review has been one primarily of consolidation and reorganisation in the enlarged Group. Particular attention has been given to Auto Diesels Braby Limited where the financial control has been improved and a substantial saving made in both production costs and overheads. It is now clear that the future of this Subsidiary can be viewed in a different light and your Directors are confident that this Company's 1971/2 results will be materially better than the loss amounting to £84,000 for the nine months since its acquisition.
- Close attention has also been given during the year to improving the financial structure of the enlarged Group. Your Directors decided to reduce during 1971 the level of bank borrowings through the sale and leaseback of certain freehold properties and the sale of a surplus leasehold property. As part of this scheme freehold property at Uxbridge was sold and leased back, realising net proceeds of £294,000 in March 1971. It is expected that sales of the other properties concerned will shortly be completed.
- Excluding the loss incurred by Auto Diesels Braby in 1970/71, net pre-tax profit was running at an annual rate of £369,000. Further improvement in turnover and profitability is taking place in the current year and it is felt that with the reorganisation of the Group's operating activities mainly completed and under the first-class management available to us, the future may be faced with confidence.

Copies of the Annual Report and Accounts can be obtained on request from the Secretary, Economic Group Limited, Cowley, Mill Road, Uxbridge, Middlesex.

## The highest-priced shares in the world

### EUROSHARE

HOFFMANN LA ROCHE AG, BASEL.  
Bearer shares price S.Fr. 190,250 (£19,410);  
Dividend S.Fr. 1,000; Yield: 0.53%;  
Estimated sales: \$500 million;  
Market capitalisation: £1,350 million;  
Profits: \$84 million;  
Number employed: 29,000.

Roche is the biggest drug company anywhere and arguably the most successful, doubling profits in the last five years. It dominates the tranquilliser drug business with Librium and Valium, and this year a successor, Nobrium, is being even more heavily touted than they were.

The capital structure of Roche has no parallel anywhere. Apart from the original shares issued in 1919-20 the group has never raised any money outside the company. It has no debt and finances all its heavy research and capital spending itself. Everything is depreciated 100% immediately out of current earnings. The original shareholders were almost immediately paid their subscription back so that in theory the group virtually owns itself. But the 16,000 original bearer shares still carry the votes and so get dividends. They were allotted the non-voting participation certificates of which there are at present 54,000. So as a company Hoffmann nominally owes its shareholders nothing, and their scrip is, effectively, a right to participate in the minuscule dividend.

With all those bearer shares about, it is theoretically one of those companies that a thief could take over, but voting control is held very tightly by the Hoffmann inheritors and the other voting shares are held by the four bursars of Basel. So the shares are among the most difficult in the world to buy, only one or two being offered in an average week. In addition, Roche has completely bled off its interests outside Europe into a separate company, SAPAC, whose shares are attached to Hoffmann shares and certificates and whose earnings and dividend already contribute over half the Roche pay-out. SAPAC is a Canadian corporation run by the Roche management from headquarters in far-away Montevideo, Uruguay, and its main profits come from the immensely successful US Roche, which now accounts

for at least 40% of the business. Investors have done as well out of Roche. One of pure pharmaceutical investors you can buy, Hoffmann's all sales are prescription drugs, and a sizable 2 Roche's dominant position in synthetic vitamin supplies. There are also interests in diagnostic medical electronics, and years ago, Roche took major diversification by buying the Givaudan perfume business. However, a description of what this does can ever dispel the idea of these shares for investment. Hoffmann's accounts for a weighty 2% of all stock market capital and movement. Interestingly the shares are a legend.

## From the wonderful folks who gave you Madison Avenue

BY GWEN NUTTALL

NEXT WEEK, one of the oldest and most famous names in British advertising, S. H. Benson, will come under the wing of the Americans, in the form of Ogilvy & Mather. Now there is only one British-owned agency of real international weight, Masius, Wynne-Williams, to support the belief that UK firms still carry importance on the world scene.

The fading of British-owned agencies is a recent phenomenon. Three years ago, Masius was one of four British-owned agencies in the UK's top 10 along with Benson, Lintas and the London Press Exchange. Moreover, the London advertising world felt it had contained the irruption of American agencies which characterised the late 1950s and early 1960s. But the inexorable trend towards internationalism in big business (meaning, in general, US business) meant inevitably that anyone wishing to count in the world league had to have a foothold in the hush pastures of the US. This was for two reasons. First, US companies expanding into parts of the unknown foreign seas are bound to look more favourably on a service company they know back home. Second the sheer volume of US advertising—80% of the world total, or a massive £8,350 million compared with Britain's £500 million—indicates that even a foothold would generate the cash flow to finance an international organisation more readily than even a sizable UK base.

Only one British agency had the nerve to take the war into

the American camp. In 1963 Masius bought Street & Finney of New York, now billing \$6.5 million. Of the others Lintas, built into an international chain by business from Unilever, its owners sold 49% of its equity to an agency with a lot of Lever's business in the US, Sullivan, Stauffer, Colwell & Bayles in 1970; the LPE sold out entirely, its main London agency and international chain to Chicago-based Leo Burnett in 1969.

Benson's history is less simple. Having formed a working association, involving only a nominal exchange of equity, with Chicago's Needham, Harper & Steers in 1964, Benson catapulted into the select club of the world's Top 10 highest billing agencies two years later when Benson-Needham linked up with the powerful State-owned French agency, Havas. The resulting group was the only European one in the world's Top 10, but billings alone do not weld a genuinely international chain. The cost of building a real network bore hard on a group whose home market was in recession for the second year running. Menacingly, also its property values were running way ahead of its market value as an advertising agency. So Benson feared a repeat of an earlier shock to the British advertising scene this year, Barclay Securities' bid for the old-established Dorland, in which office leases counted for more than clients. No wonder Benson was happy at the idea of linking with Ogilvy & Mather—even though O & M was not in the same world élite.

And it already had a tie of

sentiment with O & M. Together with Mather & Crowther, it had financed David Ogilvy's assault on Madison Avenue back in the 1950s. Sentiment played its part in deciding Ogilvy, now one of America's most successful agencies, on his 50-50 merger with the other British parent, Mather & Crowther in 1964: it was also likely to influence O & M in favour of a Benson rescue.

The new Ogilvy & Benson group will be the seventh biggest in the advertising world. It needs to be big. Sheer size is allegedly a prerequisite for keeping and gaining big international clients in the coming decade. In theory, the only other route to a healthy balance sheet is that of the small agency content to handle products with a purely national market. Of the big agencies, now only the Japanese Dentsu is without an American shareholding. The Americans dominate the international ad scene not just through size but also because they started out earlier to follow their customers abroad. In the 1920s, Thompson's set up shop abroad because General Motors wanted it, just as McCann Erickson sallied forth to service Esso and Coca-Cola.

No British company chose to fund an international network so systematically, with the exception of Unilever which supported Lintas first as a house agency until five years ago, then as a budding independent international set-up. Other Europeans simply shopped around. "I think the American way of doing business is to have everything cut and dried and tidy whereas the British attitude displays a more pragmatic approach to local conditions," says O & M's vice-chairman, Jimmy Benson (who is not related to the Benson family). But now, even for US companies internationalism no longer spells sinister uniformity as it did a few years ago. Only one-product companies like Coca-Cola, Esso or Pan Am can afford the luxury of dictating how an ad should look from South America to West Germany.

British advertisers—even nationalised ones, simply go where they feel the talent is—mostly American-owned. BOAC is sung at Foot, Cone & Belding, BEA has no worries about using Thompson's, and the British Steel Corporation gave a £500,000 image-building campaign to O & M.

## Watch out for the Earthshrinkers

(They'll persuade your clients to go away)



Visit five old folks at home.

—some take good care of you.



All of them exactly match your visit this summer. Home.

—some take good care of you.



—some take good care of you.

Maybe you can't afford a vacation of this sort.

So come to Britain.



The British are good sports.

—some take good care of you.



—some take good care of you.

How to sell the same product: Left UK-style, above US-style.

### General Appointments

#### PRODUCTION MANAGEMENT —FOOD

We are a company manufacturing a wide range of milk-based dairy foods. In order to maintain our rapid growth rate we now wish to recruit further executives to plan for and operate present and new manufacturing facilities. This is a challenging opportunity for experienced food production and quality control men in the 30/40 age group, who have obtained some managerial experience by virtue of their efforts, but now find their way to the top blocked by senior men, or are frustrated by committees, boards of directors, etc. The positions are not far office-based 9-5 men—they are demanding jobs, where a high degree of technical practical know-how and initiative, plus an ability to deal with staff at all levels, is called for. The rewards for the successful men are top salaries, ample scope for advancement, non-contributory pension scheme, car allowance, etc.

Interested?—then send full details of your career to date, plus relevant personal details marked for the attention of the Managing Director, Box AD570. All replies will be acknowledged and treated in the strictest confidence.

#### Chartered Secretary

We have a vacancy within our Legal Department for a recently qualified Chartered Secretary or final year student, preferably between 23 and 28.

Principal duties will be preparation of Board Papers, dealing with Statutory work of subsidiary companies, banking arrangements, contract drafting, and settling disputes.

Please write giving full details to:

Mr J. R. Kaye,  
Limmer Holdings Ltd.,  
Suffolk House,  
George St.,  
Croydon CR9 1NN.

### General Appointments

Dial NOW for your place on our management training programme



#### TRAINING FOR MANAGEMENT

THE COMPANY  
C. & J. Clark Retail Limited is one of the largest multiple shoe retailers in the country and is part of the Clark's International Shoe Group. An important part of our policy of promoting from within the company is to recruit and train up to 10 people each year on our Management Training Programme.

THE TRAINING  
This 2 Year Programme combines practical shoe retail experience with In-College training, leading to the Certificate in Distributive Management Principles, the industry's highest award.

PROSPECTS  
Successful trainees will be appointed as Branch Managers at a starting salary of about £1,400 p.a. and there are excellent opportunities for promotion in Branch and Area Management, Buying or Merchandising.

APPLICANTS  
If you are aged 18-22, with education up to 'A' level standard please telephone NOW (Yes we know it is Sunday!) reverse the charge and ask for Peter Rowley for full details. Alternatively, you may write giving brief details to Peter Rowley, Employment Officer, C. & J. Clark Retail Limited, STREET, Somerset. Tel. Street 2131

#### R. J. ENTHOVEN & SONS LTD.

a member of the Biffen Group, are proposing to appoint a young

#### WORKS METALLURGIST

at their Botherhithe (London) refinery of lead alloys.

The successful applicant will be expected to master the detailed technology of the refining and semi-fabrication of lead-antimony alloys and thereafter contribute in improving existing techniques and introducing new processes.

He will have a degree, some Works experience and the personal qualities for advancement into production management but, as the successful candidate is likely to be in his twenties, experience of lead metallurgy is not essential.

Please write for application form to:

ELLITON (U.K.) LTD.,  
Dominion Buildings, South Place, London, EC3M 3RE.

### General Appointments

#### Production Director

An energetic and experienced Production Director is required to complete a newly formed young and energetic team managing a major manufacturer of liquid packaging and other machinery for U.K. and World Markets.

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A high salary will be paid to match the responsibility of the position with useful fringe benefits including a car. A contributory pension scheme is operated and the successful candidate will be eligible for a Group Share Incentive Scheme which is being formulated.

Write giving full details to:

Managing Director,  
Dawson & Barfos  
Manufacturing Limited,  
17/18 Idlesleigh House,  
Caxton Street,  
LONDON, S.W.1.

#### EXPORT EXECUTIVE

S. E. London Area

Consumer Specialities

An important appointment giving excellent opportunities within an expanding private company which, with a seven-figure turnover (80% production is for export), is a clear leader in its field. Its speciality products have wide colour and creative fashion appeal in a growing market and are sold all over the world. Reporting to the Export Director, he will co-ordinate specifically with the Company's European agents and associates as well as assisting generally in the handling and creating of multi-language literature and other merchandising aids. Candidates in their early thirties must have a sound background of export selling preferably through Chemists and Hardware outlets or similar fields. Good salary according to experience. Good French and German essential. Company car, pension, etc. Write Box AY300.

8½%  
INTEREST

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- Repayment of Deposits and payment of Interest guaranteed in full by Bristol Street Group Ltd.

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V.M.C.FINANCE

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BRISTOL STREET HOUSE,  
239/141 COVENTRY ROAD,  
BIRMINGHAM, 26.

A Subsidiary of  
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How to plan a dream for the future without crippling your finances now...

It's not easy. But this coupon may be your answer.

Send it off, and find out how £5 month could earn you a great deal of money\*—plus life insurance and tax relief.

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To: Save and Prosper Group Limited,  
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ADDRESS .....

Telephone No. .... 594155

**SAVE AND PROSPER GROUP**  
Founded in 1934 and now managing funds of over £500 million for more than 700,000 people.



# US shoots down Britain in the air war

BY KEITH RICHARDSON, Industrial Editor

THE MULTI-ROLE combat aircraft on which the British, German and Italian Governments are planning to commit nearly £2,000 million over the next 12 years has its technical origins in the abortive Anglo-French Variable Geometry aircraft. But its political leadership always rested with West Germany, which originally planned to buy more MRCA's than anyone else, which therefore became the site for project headquarters, in Munich, and which has always seen the venture as an ideal way of buying itself into big-time modern aerospace technology.

But the British civil servants who finally drafted the memorandum of agreement, during the Heath-Wedgwood Benn era of defence procurement, when the principle of European co-operation seemed more important than the fine print, made what they now recognise as a fatal mistake. It allocated 42% of

the work each to Britain and Germany, with 15% to Italy. But it left open the possibility of buying from other countries where the price looked better.

While airframe and engine development are moving on a genuine Anglo-German basis, this loophole was enough to let US industry, starved of home defence orders, into the far more important electronics sector of the contract, which accounts for nearly half the total cost. The Germans were keen to let the US in, partly as an easy way to offset US defence spending in Germany, partly because American companies have already played a large part in the rebirth of German aviation, and partly because US contractors, attracted by the possibility of putting British competitors out of business once and for all, have submitted quotations so cheap that even the US Government has warned the Europeans against believing them.

British contractors, who have had all the basic capabilities ever since TSR2 but have been desperately short of orders, reluctantly accepted that sharing their precious technology with the Germans was the price to be paid for winning high-volume orders. Unfortunately, the truth turns out to be much worse.

A series of joint ventures were planned: for example, the flight and weapons control computer, a black box at the heart of the aircraft constituting the second biggest electronics contract, has been offered by the GEC subsidiary Elliott Flight Automation of Rochester. It is based on the existing Elliott 820, but both the detailed development and the production will be shared with Siemens and AEG in Germany.

The company most likely to win this contract, however, is a

German company purporting to offer a German computer. It is, in fact, a subsidiary of the US Litton Industries, and is offering a Litton computer. Detailed engineering development would almost certainly be done in the US, a good deal of Germany's share of production could end up in the US and even if a British company was given the chance of building the Litton computer under licence, it would have to buy US components and its own technical development would be permanently stunted.

Meanwhile British engineers who face redundancy—Elliott is losing 400 at Rochester, for example—are already receiving offers of jobs in Germany and the US to work on these projects.

Elliott is still fighting for the contract to buy a genuinely European product was likely to be cheaper in the long run.

plum of all has already gone to the US: it seems a foregone conclusion that North American Rockwell's subsidiary, Autonetics, will win the £80 million radar contract with a system which British industry regards as underdeveloped and quite incapable of being built for such a price.

Autonetics commented yesterday that "the capability of each subsystem which makes up the total radar has been proven in previous programmes." Autonetics' experience includes large cost overruns and late delivery on American F-111 aircraft.

Again, had this been fairly beaten by another European company no-one could complain. But losing business to a US supplier was not what MRCA was intended to achieve. Britain's Defence Minister Lord Carrington has pointed this out to the Germans, warning them that to buy a genuinely European product was likely to be cheaper in the long run.

But the Germans, who are more used to cost-plus agreements and have little experience of the pitfalls of so-called "fixed-price" contracting, simply pointed to the Autonetics figure and said it was not accepted they would pull out of the whole MRCA project altogether. And that appears to be that.

Already some German companies have privately indicated that they are so dubious of the plane ever being built that it is only the development contracts they are interested in. Some British contractors have asked to persuade the Ministry to give them small development contracts just to keep teams of men in being, in case US supplies prove difficult. The RAF, for a time, even fought to have British electronics inside its own 400 aircraft while leaving the Germans to buy US—but this has been over-ruled.

## Nixon bids farewell to the American Dream

BY HARLOW UNGER, New York

PRESIDENT NIXON last week gave America a glimpse at his plans for "Phase Two" of his dramatic new economic policy, now widely referred to as "NEP." Phase One of NEP froze wages of all Americans for 90 days, from August 14 to November 12. But, as part of Phase Two, the President extended the freeze for an additional six months for 4.2 million Federal Government workers, including the military. Last week's action guaranteed that no Federal Government employee would receive a wage increase until July 1 of next year at the earliest. The savings to the US Government are estimated at \$1.3 billion.

The President's action all but killed the few remaining hopes that America might return to a free economy after the end of the 90-day wage-price freeze. Indeed, some pessimists now predict that the President might well extend the freeze to all wage-earners for an additional six months.

Cooler heads, however, realise that such a move would be impossible, because of a festering revolt among labour unions, whose standard three-year contracts call for mandatory wage increases at the end of the first and second years. Such increases are being postponed during the current 90-day freeze, but it is unlikely that union leaders would sit still for a postponement past November 12. In fact, United Auto Workers president Leonard

Woodcock has already threatened to strike the entire US auto industry if the latter does not grant the automatic wage increases due on December 1, at the end of the first year of the current contract.

Business is also beginning to rebel against the freeze. Some firms are making a mockery of price controls by using a loophole that exempts so-called "new products" from the freeze. Thus, shirt manufacturers are raising prices across the board by simply adding pockets to previously pocketless shirts.

Constitutional lawyers agree that a contractual right is a property right in America, and that the President cannot abrogate existing contracts. Labour leaders would already have gone to

court to obtain injunctions against the wage freeze, had Labour Secretary James Hodgson not wooed them into voluntary acceptance of the temporary freeze by appealing to their patriotism during the immediate economic crisis.

But the Nixon Administration cannot count on voluntary compliance after November 12, and as of this writing, no firm decisions have been made about how to control the wage spiral after that date. Presidential economic adviser Herbert Stein is chairing a small task force that is polling management and labour views on Phase Two and will eventually draw up the alterna-

tive proposals for the president. These proposals range from Professor Galbraith's call for permanent wage and price controls to industrialist Cyrus Eaton's call for a return to a free economy. Nixon's probable course will run between these two extremes. In fact, Congress, which will have to approve Nixon's course of action, favours proposals put forth last week by the former chief presidential economic advisor, Gardner Ackley, who served under President Johnson.

Ackley called for a return to the voluntary wage and price guidelines tied to productivity. President Kennedy used the

guidelines most effectively, and President Johnson was able to follow suit until the effects of Vietnam war spending and a \$25 billion Government budget deficit triggered the still uncontrollable inflationary spiral.

Ackley's proposal calls for executive powers to roll back any price or wage increases that violate the productivity guidelines set down by the Council of Economic Advisors. The new guidelines, however, would not affect wage increases called for in existing labour contracts. But Washington economists are not worried about the inflationary effects of mandatory second and third year wage increases. In most contracts, the largest annual wage increase comes in the first

year and all major US industries have already granted these.

Aside from the wage restraints, the Nixon Administration is also considering an excess profits tax to soothe angry labour leaders who claim the NEP is, in the words of Ralph Nader, nothing but a "Christmas present" for big business. But both Democrats and Republicans believe an excess profits tax would merely produce excessive expense account living.

Thus, Phase Two now appears to be shaping up as a relatively simple system of guidelines backed by executive enforcement powers. Simple though these may sound, they will, according to Washington economists and politicians, remain a part of the US economic picture for many years.



ss Bell, with the fastest lipstick in the West

## Honour the Flag and the ski cosmetic

BY VINCENT HANNA, Lakewood, Ohio

THIS year, Jess Bell, who wears Stetson hats and six guns, an American flag on every t-shirt in his offices and dreams of covered wagons, is planning to stake a claim for his cosmetic company in the uncharted wastes of the United Kingdom. The company, Bonne Bell, one of the fastest-growing firms in the USA. Over 100 of its sales come from cosmetic companies and it dominates the ski cosmetic market.

Understanding the Bells and business is difficult unless happen to be a Western fan. J. G. (Jess's father) was on a farm in Missouri and up cosmetic sales because was a godly and profitable business. He called his second child Bonne after a romantic line in the Saturday Evening Post, and today, at 48, she is a president of the company bears her name.

The business was founded on a formula old J.G. bought in from a druggist in Lakewood. ("I don't know where he got the money," says Jess.) "1000 it is a medicated skin user. Last year Bonne Bell 255,000 gallons of it and a of over \$1.2 million. Jess over in 1959 and since then of the lotion have fallen 80% of the total turnover

to 40%. The growth of other business is entirely due to the colourful ideas which Jess manages to turn into hard cash. Jess Bell is a skiing enthusiast and five years ago he introduced a range of outdoor cosmetics designed to protect complexions from the wind and sun of the ski slopes. Now he dominates the sports market, and has successfully resisted the attacks of giants like Avon and Revlon.

He did it by saturating the ski slopes with slogans (Out there you need us baby), and using established skiers as promoters. He hired Olympic star Billy Kidd, and gave \$50,000 a year to the US ski team. Now he plans to move into Europe.

"I sure like something different," he told me. And at Lakewood he certainly has that. Just down the road from the Ford engine plant he has built a row of period houses—only they are just a facade that hides the factory, offices, and 200 people. Number 1 is an example of Regency architecture complete with curving stairway that actually leads to a 1970s style laboratory. Next door is a copy of the house of Betsy Ross, heroine of the American War of Independence and outside is a replica of her flagpole. "With an actual Betsy Ross flag," explains Jess. Number 4 is designed to

look like Number 10 Downing Street, and the fifth houses a wine and cheese shop.

Behind the fake fronts Jess Bell has a personal office full of cavalry relics, Western paintings and more flags. Next door is a Western barber's shop with reclining chair and striped pole ("It's a nice place to nap at lunch time," says Jess) and nearby is the J.G. Bell memorial library containing the old man's books—handsomely bound copies of the complete Reader's Digest condensed books and a few volumes on conservative thought. There are no unions at Bonne Bell, but the welfare scheme, sickness plans and wage rates are all better than any offered by a competitor. In addition, there is a profit-sharing scheme. 15% of every worker's flat pay is paid into a mutual fund, a bonus are invested annually for his retirement, or departure. The worker becomes eligible for the money after 10 years. Bonne Bell ploughs back about 20% of its profits into the scheme, and it works out at a sum much higher than Britain's statutory redundancy pay scheme. And while there are only three black workers, Bell does give equal pay for women.

Not everything about the frontier spirit is benign, of course. There is a dependence on physical prowess in Bell's philosophy that seems out of date in a changing America.

"My son Buddy," Jess remarks, "wants to play tennis, but I told him he must go out for football. I mean, he's 8ft 2 and 14 years old. He should be out there knocking people down."

Next year he intends to hit the UK with a massive sales drive involving chain stores and sporting goods suppliers. You may be surprised at the style of the immensely likeable, immensely chauvinistic American, but he will probably talk you into buying just the same. Then ride off into the sunset leaving you with cold cream on your face.

### the rules of the Market

What to do about Europe—the crucial decision now facing in's businessmen—is the act of a high-powered one-seminar being sponsored by The Times and International Business Communications on September 30. Under the chairmanship of George Thomson, who led the Government's market jailing team in 1967, leading cal and business leaders—Jing Britain's chief Common negotiator Geoffrey

## LEWIS & PEAT

FIVE YEAR RECORD



Year ended 31st March	Profit before tax £000	Net equity earnings £000	Earnings per share	Equity dividends
1971	2,137	1,083	11.1p	30%
1970	1,921	882	8.9p	20%
1969	1,651	711	7.5p	18.6%
1968	1,116	440	6.2p	15%
1967	839	331	4.7p	15%

Available net equity earnings of £1,083,000 show an advance of 23% and cover dividends 1.5 times.

The board intends to pursue development of financial activities in fields related to the group's present operations.

Eventual outcome of present monetary discussions is bound to have an important bearing on future development of our commodity business. If reasonably stable conditions are established in the near future the group should not be unduly affected. Having given priority to development of management, our team is well equipped to adapt to changing circumstances and to take advantage of new opportunities.

Copies of the Report and Accounts are available from The Secretary, Lewis & Peat Limited, Plantation House, Mincing Lane, London, EC3M 3JA.

Some of the best investment ideas are also some of the oldest.

This is not surprising, because in the world of finance the soundest endorsement of any way of making money is the test of time.

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They were first conceived over a hundred years ago, when a group of people realised that the best way of safeguarding an investment was to spread the risk over a large number of sound companies. They realised that by forming a company whose business was to select the very best of shares over many sectors of the market, they offered the small investor a better than average chance of coming out on top.

And it has been that way ever since.

Jessel Britannia have taken this safeguard one step further. In Jessel Investment Trust Units they combine the philosophy of investment trusts with the advantages of a unit trust. They buy the shares of what they consider to be the best investment trust companies. These in turn invest in the shares of carefully selected industrial companies both in the UK and abroad.

This way you get a double level of investment expertise. From Jessel Britannia, who manage the fund, and from the managers of investment trusts, who over the years have earned an enviable reputation for their ability to pick profitable shares.

Over the long term, investment trusts have consistently out-performed average shares. So it's not surprising that, since its launch in September, 1969, the offer price of Jessel Investment Trust Units has risen no less than 18% (22% with net income re-invested), while the Financial Times Ordinary Share Index has risen by only 8%.

Jessel Britannia is one of the country's leading unit trust management groups, with no less than four of their funds in the top ten best performers over the three years to 30th June, 1971.

So if you are looking for a home for your savings with sound capital growth prospects, Jessel Investment Trust Units deserve close consideration. But you should regard your investment as a long-term one.

The price of units and the income from them can go down as well as up.

Jessel Investment Trust Units are now on offer at 29.7p each to give an estimated current gross yield of 2.02% p.a. until 3 p.m. on 10th September, 1971. To buy, fill in the coupon and post it with your cheque.

Alternatively, you could invest as little as £5 a month in this trust through the Britannia Plan. It's a simple way of saving regularly, and there are bonuses too.

For further details just tick the box in the coupon.



### Jessel Investment Trust Units

To: Midland Bank Ltd., New Issue Dept., P.O. Box 518, Aurdin Friars House, Austin Friars, London, EC2P 2HU.

I/We should like to buy  Jessel Investment Trust Units at 29.7p each (minimum initial holding 200 units) for which I/we enclose a remittance of £  payable to Midland Bank Ltd.

I/We declare that I am/we are not resident outside the U.K. or Scheduled Territories and that I am/we are not acquiring the units as the nominee(s) of any person(s) resident outside these territories.

Signature(s) (If there are joint applicants all must sign and attach names and addresses separately.)

BLOCK CAPITALS PLEASE

Surname (Mr, Mrs, Miss)

First name(s)

Address

The minimum holding is 200 units and in multiples of 5  
 200 units cost £ 59.40  
 500 units cost £ 148.50  
 1,000 units cost £ 297.00  
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Income is distributed annually on 30th August, and is paid after deduction of income tax at the standard rate. Income tax can be reclaimed from the Inland Revenue if you are entitled to do so. Applicants will not be accepted if they are not entitled to do so. Applications will not be accepted if they are not entitled to do so. Applications will not be accepted if they are not entitled to do so.

You can call your units back to us at not less than the published bid price on any dealing day; you will receive a cheque within seven days of the Managers receiving your remittance certificate.

The Trustees in The Royal Bank of Scotland London Trustee Company.

The Managers of the Trust are Jessel Britannia Group Limited, 125 Fenchurch Street, London, EC3A 6BL. Telephone 01-662 7585. (Members of the Association of Unit Trust Managers.)

Directors of Jessel Britannia Group Ltd.: O.R. Jessel (Chairman), M.V. St. Giles, M.A., (Jagannath), C.R. Borczyk, M.A., Sir A. Mullendathil-Chinnai, T. McEwen, F.R.S., F.A.C.A., C.C. Ravid, J.H. Wallard, M.A.



## MARKETING MANAGER

Dublin

for a company enjoying a multi-million pound turnover in the export of meat and allied products to Britain and elsewhere throughout the world. Growth has been rapid and sustained and this success is largely attributable to the opening and exploitation of new markets on a global basis; future prospects are even more exciting. The Marketing Manager will be responsible for the entire marketing function including control of an advertising budget running into six figures. A degree and linguistic ability are both desirable but the prime need is for a man with the full range of marketing expertise at his finger-tips and several years successful experience in his application—ideally in the food industry and particularly in the export field. The preferred age is 27-40 and salary will be negotiated at a level attractive to men already earning upwards of £3,000.

Reference: 30681/TS (E. Donohoe)

**AIC** Executive Selection Division  
7 ARCADE ROAD, ROBERT PARK, DUBLIN 4



## ACCOUNTANTS

The extensive internal and external activities of the Ladbroke Group of Companies necessitate the recruitment and distribution of the professional accounting services. In consequence, we are seeking qualified accountants to fill several appointments at our London offices.

### Group Chief Accountant

Responsible for the production of financial and management accounts for the Ladbroke Group of Companies. He will have substantial experience in a large public group of companies with hotel connections. Starting salary range £4,000-£5,000 p.a. according to experience and qualifications.

### Internal Auditor

He will be concerned primarily with the maintenance of systems and controls of the Ladbroke Group of Companies. Candidates should wish to continue audit work in the Field and Head Office, to monitor and improve systems, cash and purchase controls, computer controls, etc. A substantial amount of U.K. travel will be involved and a company car will be provided. Aged between 25 and 30. Starting salary range £2,500-£3,000 p.a.

### Chief Accountant—Hotels Division

He will operate at Head Office and be responsible for the operation of accounting procedures throughout the hotel company. He should have experience in the hotel industry and a knowledge of accounting in general would be a decided advantage. Probable age 25-30. Starting salary £3,000-£3,500 p.a.

### Taxation Specialist

Will be responsible for all the TAX affairs of the group. Aged 25-30. He will be expected to have a thorough knowledge of taxation law, both in the U.K. and abroad, and to have had training and experience as an Inspector of Taxes. Starting salary range £2,500-£3,000 p.a.

### Non-Qualified Accountants

In addition to the above, we shall be requiring accountants (not necessarily qualified) with experience of hotel accounting systems who will be employed at our own hotels in the course. The age range should be between 20 and 30 and salary will be in accordance with location, age and experience.

All of these appointments offer excellent career development opportunities in an expanding, vigorous group of companies. Applications will be treated in strictest confidence. Full details of training, career and salaries should be addressed to:

J. Stanley, Personnel Controller, Ladbroke Ltd., London, W1A 2LD.

**J. Stanley, Personnel Controller**  
**LADBROKE GROUP LIMITED**  
Ganton House, Ganton Street, London W1A 2LD

## BOARD HEADQUARTERS

## PRINCIPAL ASSISTANT—INTERNAL AUDIT ACCOUNTANCY DEPARTMENT

Applicants should preferably be qualified accountants or at least final examination candidates, preferably with a keen interest in modern accountancy techniques.

The successful applicant will be based on Manchester or Preston, but will be expected, when necessary, to work anywhere in the area of the Board. It may be necessary to spend one week in every month away from home. Appropriate lodging allowances, subsistence allowances and travelling expenses will be paid by the Board.

The salary will be in the range £2,034/£2,406 per annum. N.C. Conditions. Commencing salary will depend on the experience and qualifications of the successful candidate.

Applications on forms to be obtained from the Secretary, Northern Charnwood Road, Manchester, M8 8BA, and returned to him by 15 September 1971.

Note: Previous applicants for this post need not reapply as their applications will receive further consideration.

## ACCOUNTANT for FINANCE and INVESTMENT

Charter Consolidated Limited, an international mining, finance and industrial group, require a Chartered Accountant for their Central Financial Services Department. He will be responsible, under the Divisional Manager, for group financial studies, which include recommendations upon new and existing direct investments, financial forecasting and projections for group mining and industrial companies both in the U.K. and overseas.

The successful applicant is likely to have been articled to a major London-based firm of Accountants and had a minimum of four years post-qualification experience, part of which may have been spent overseas or in industry.

Starting salary negotiable from £2,750 with excellent conditions of service.

Applications stating brief details of education, qualifications and career to date to:

C. R. N. Garfit, Personnel Officer,  
Charter Consolidated Limited,  
40 Holborn Viaduct, London, EC1P 1AJ.

**CHARTER**

## Accountants

### to advise on the control of defence spending

Accountants are playing an increasingly important role in the economic planning of government contracts and in the management of major R and D and Production projects.

MOD accountants exercise the wide disciplines of their training to advise on the extent of contractors' financial resources; the adequacy of contractors' internal systems of control and costing; the critical assessment of forward estimates of costs; the assessment of claims for cost charges and price variations. Thus their involvement with industry and its senior executives is wide ranging and deep. Some travel is involved and could include occasional visits abroad.

An accountant may also serve as a member of a multi-discipline team established to monitor and control the extensive contracts placed with a wide variety of industries for experimental work in the design, development and production of sophisticated and specialised equipment. He will advise on the form of cost control to be exercised and on the cost consequences of decisions taken.

Most of the appointments to be filled are in London (with one in Barrow and

one in Birmingham) and at Senior Accountant level. Candidates (men and women normally aged at least 30 and under 45) must be either Chartered or Certified Accountants, with suitable professional experience. Starting salary could be up to £3,575 with good prospects of promotion to posts carrying £4,575 or more. Career development is not necessarily confined to the one Ministry. Recently qualified or younger Accountants (aged at least 23) start on salaries up to £2,575 with the prospect of promotion to Senior Accountant (£2,950-£3,575) within 2 years. Vacancies also exist in the following government departments: Ministry of Agriculture, Fisheries and Food (London); Procurement Executive, Ministry of Defence (London); Department of Trade and Industry (London, Gatwick and Manchester). Full details of all vacancies may be obtained from the Civil Service Commission, Alencon Link, Basingstoke, Hants., or by telephoning BASINGSTOKE 25222 ext. 500 or LONDON 01-839 1696 (24-hour "Ansafone" service) quoting reference G/590(D)/SA.

## MINISTRY OF DEFENCE

## Manager—Finance & Administration

£6,000+

The appointment arises as a result of sustained company growth and provides excellent career and salary prospects. The successful applicant will be responsible for all the financial aspects of the company's operations in Europe, Africa and the Middle East including budgeting and profit planning. He will also provide advice on tax, banking and insurance matters. He will report directly to the chief executive officer responsible for Eastern Hemisphere operations and functionally to the chief financial officer in Houston, Texas.

The man appointed will be an ambitious 'self-starter' able to assist in solving management problems and who would welcome a considerable amount of overseas travel.

Applications are invited from qualified accountants with:

- a sound understanding of financial matters
- at least 5 years' experience of using management accounting to maximise profits in a contract orientated company
- a good working knowledge of UK and overseas taxation
- staff management experience.

Previous experience with US corporations or in an oil exploration/off-shore environment would be an advantage. Age is not a critical factor but it is unlikely that candidates aged less than 30 or earning less than £5,000 p.a. will have the necessary experience to discharge the responsibilities envisaged.

Candidates should write for a personal history form to Price Waterhouse Associates, 37-41 Worship Street, London EC2A 2HD quoting reference MCS/1337.

## Legal Adviser

British Steel Corporation requires an additional Barrister or Solicitor in its Legal Department in London. This department handles the legal aspects of the manufacturing and commercial activities undertaken by the Corporation, and by its subsidiaries in the U.K. and overseas.

The successful applicant is likely to be aged between 25 and 30 years with a good academic record. The successful candidate must have at least 2 years experience of dealing with the legal

aspects of negotiating and of carrying through commercial transactions, and be capable of advising on a wide variety of legal problems. The Corporation offers an excellent salary and terms of employment. There are genuine career prospects for the right person. Please apply in writing to the Personnel Manager (Head Office), British Steel Corporation, 33 Grosvenor Place, London, S.W.1.

**British Steel**

## FINANCIAL CONTROL

Whitecroft Limited, Manchester requires a qualified Accountant for its Financial Control Department. The candidate, who must be fully experienced in the financial control of Subsidiary Companies and able to act on his own initiative, will be given considerable responsibility for the improvement and employment of management reporting and information systems.

Candidates should be aged 35-48 years and should be earning not less than £4,000 per annum.

Please write in confidence, with full details of career, to The Financial Controller, Whitecroft Limited, Blackfriars House, Parsonage, Manchester M3 2HX.

## OVERSEAS HOTEL ACCOUNTING

The Windward Islands

The Courtline Group is seeking a qualified accountant, with ambition, to be responsible for its Hotel accounting in the Caribbean. The successful applicant will be responsible to the local Hotel Managing Director and to the group central accounting department. He will control a full accounting department including a qualified assistant, and be responsible for preparation of monthly accounts, operating budgets, cash flows, etc. It is envisaged that he will be around 30 years of age, single, or married with no children, and will be signing a 2-year contract of employment, with prospects of future employment elsewhere in the Group. Salary envisaged around £3,500 p.a. with free accommodation, etc., pension fund membership and other benefits.

Please contact Peter Somerville,  
MANAGEMENT RESOURCES,  
53 Victoria Street, S.W.1.  
Telephone: 01-222 2022.

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Brewing

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## Contractors All Risks Underwriter

A public company, prominent in the leisure industry, wishes to appoint a successor to the Managing Director in the New Year. Turnover is in excess of £10m.—almost half of which is in export markets—and Queen's Awards have been granted. There are two principal sites in the South, where manufacture concentrates on plastic and die-cast products. The industry is seasonal with new product development at a premium, and candidates must have experience of a similar, competitive environment. A strong financial and marketing background is also essential. Applicants should preferably be in their 40's, and have held a general management appointment at main board or divisional level. Salary will be negotiable up to £12,000. (Ref: GM26/4308/ST)

A leading French pharmaceutical group whose highly scientific products have resulted in a remarkable growth rate, wishes to appoint for Paris the General Manager of its International Medical Department. He will be responsible for the development and promotion of the Laboratory products throughout the world. With the help of a team of pharmaceutical chemists and doctors, he will take over the conception of medical advertising, the promotion of products and corporate image of various subsidiaries, and clinical trials, in liaison with the hospitals and universities of the countries concerned. He will also work closely with the group Managers for the same countries. This appointment involves participating in international medical and scientific Congresses and world-wide travel. Candidates must be qualified doctors of medicine, aged 35 to 50, with extensive experience in the pharmaceutical industry at an international level. Nationality is not important. They should also have leadership qualities and be perfectly at ease in their dealings with people. Fluency in English and a good knowledge of French are necessary. The initial salary will be in the region of FF 150,000 per annum; but may be higher according to the level of professional qualifications. All supplementary details relating to this position would be given in the course of a confidential discussion with the consultant from our Paris office to whom letters of application, which should include full career and personal details, will be forwarded. (Ref: TE7/4305/ST)

James J. Murphy & Co. Ltd., Cork, employs approximately 200 and has been brewing since 1856. With a seven figure turnover, the Company has 150 tied houses in Cork City and County. A wholly owned subsidiary manufactures mineral waters and has a substantial wholesale trade throughout Munster in wines and spirits. The Company has recently undergone a major re-organisation and now seeks a profit motivated Managing Director with a marketing bias to lead an enthusiastic management team. The Managing Director will have considerable freedom in shaping the future policy of the Company. He will be aged 35-50 and must have a successful record of achievement at senior management level in marketing consumer products, preferably in the brewing or associated industries. Remuneration will be attractive to those currently earning £6,000 p.a. and could include equity participation. (Ref: GM38/4304/ST)

The Insurance Company of North America, founded in 1782, is extending its international activities. INA's overseas growth record reflects a sound programme of expansion. The company now wishes to appoint an underwriter to increase its Contractors All Risks business. Based in London, he will be responsible for underwriting British and worldwide accounts in liaison with the company's headquarters in Philadelphia. He will be joining a progressive team of underwriters who enjoy the responsibility imposed by INA's policy of expansion and who are using the most advanced underwriting techniques in the Fire, Accident and Marine markets. The successful candidate is likely to be aged at least 35 with an excellent C.A.R. underwriting record, having already established his reputation in this market and developed contacts with brokers and insurers on the Continent. The starting salary is freely negotiable but the man appointed will probably already be earning at least £3,000-£4,000 p.a. (Ref: PF37/4293/ST)

## COMPANHIA NITRO QUIMICA BRASILEIRA

The largest rayon producer in South America has retained us to advise on the appointment of a

## SENIOR RAYON TECHNOLOGIST

for its factory near Sao Paulo, Brazil.

The appointment calls for a man with wide experience of viscose rayon production, including spin dyeing and direct dyeing. He will be responsible for the improvement of the quality, efficiency and economy of the entire rayon process, using existing plant, and the setting-up of appropriate controls and standards. He will be supported by a team of chemists and engineers, and with laboratory and workshop facilities. The successful candidate will most likely be a chemist and/or chemical engineer, and it will be helpful if he speaks Portuguese or Spanish. His preferred age range is 35-45, but older candidates will be considered. A very substantial tax-free salary, completely open to negotiation, will be paid on a U.S. dollar basis. In addition, free furnished accommodation will be provided in Sao Paulo, together with free transport by company's bus or car to and from the factory. Appointment will be in the first instance for a fixed contract of 3-5 years, with six fares for the technologist and his immediate family at the beginning and end of the contract. The successful candidate, before accepting the post, will be invited to visit Sao Paulo and the factory at the Company's expense and without commitment. Hand-written application, together with full curriculum vitae, preferably typed, should be made to ARACHNE, Arnold Services, 106 Runcton Road, Moore, Warrington.

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As management consultants we are having to compete salary-wise with industry and commerce for good brains with first-class industrial experience. Consultancy offers a way through from routine work to constructive management thinking and action and positions of interest and influence. If you are a qualified accountant earning between £4,000 and £5,000 in industry now, you can probably add considerably

to that in consultancy, learn a great deal and make a contribution to management which will be very worthwhile. Applicants must be under 40. Please send particulars of yourself and your career to date to J. B. Beech, ref. S. Overmark Limited, Thavies Inn House, Holborn Circus, London E.C.1, stating any firms to whom you do not wish your application to be passed. Strict confidence will be observed.

## RTZ NO TINTO-ZINC CORPORATION

## Perito Financeiro

Para Companhia Recentemente Fundada Porto de Lisboa

A Pillar Portuguesa (Alumínio) Portalex Limitada é uma companhia recentemente fundada perto de Lisboa destinada à extracção de alumínio. A companhia prevê um lucro anual de £750,000 nos primeiros 2 anos.

Procura-se um perito financeiro qual organizará e implementará um sistema de controle financeiro e que consequentemente terá um lugar preeminente na administração comercial da companhia. O candidato deverá ser um perito de contas, de 28 a 35 anos de idade, com bons conhecimentos comerciais falando correctamente português. É essencial o conhecimento do sistema contabilístico inglês e alguma experiência de métodos de contabilidade portuguesa.

O lugar oferece boas oportunidades para o candidato que queira vincar a sua posição durante os anos de formação de um novo empreendimento desta importante grupo internacional. A remuneração será de cerca de £3,500 anuais, juntamente com outros benefícios que incluem participação nos lucros, reforma e assistência médica, despesas de deslocação e subsídio de habitação durante o período inicial e carro fornecido pela companhia.

Escreva pedindo impresso de inscrição para: Patrick A. E. George (ST), Group Personnel Services, The Rio Tinto-Zinc Corporation Limited, 6 St. James's Square, London, S.W.1.

## THOMSON HOLIDAYS LTD.

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The Candidate We want a qualified accountant, aged approximately 30-40, with experience of coping, budgetary control, management accounting and financial accounting.

The Rewards The salary will be around £3,000 p.a. and there is a substantial holiday concessions and a non-contributory pension scheme. There are ample opportunities for career development both in Thomson Holidays and other companies of the Thomson Organisation.

Success will give you a very good career opportunity for the application form to: Simon Shirley, Thomson Holidays Ltd, 100 Victoria Road, Macclesfield, Cheshire, Cheshire, Tel. No. 01-287 8221.

## TURBINE DESIGN ENGINEERS

A large Canadian organisation has a requirement for several professional engineers who are experienced in the design of a wide variety of generating station facilities, including turbines and feed cycle design, condensers and auxiliaries with very large generator sets, from initial design studies through to the solution of commissioning and operating problems. Travel and relocation allowance.

Interviews will be held in London the week of September 13. Please write immediately giving full details of education, qualifications and experience to our agents:

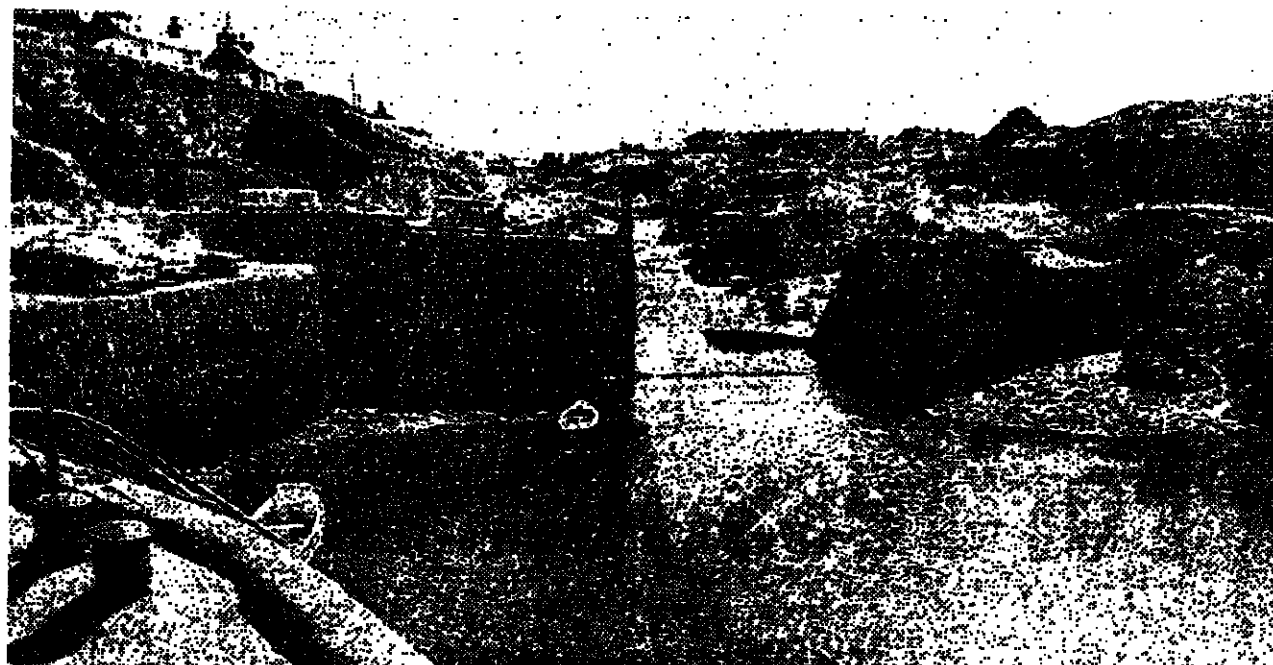
Brennan Ford (Canada) Ltd.,  
Department BF 33,  
44 Oxford Street, London, W1N 0ER.

ACADEMIC APPOINTMENTS  
appear on page 10





Eric Edwards of Amlwch looks out over the Anglesey coast (right). Local residents wonder if the future will show a magnificent harbour—or a polluted sea



## Who wants Shell on the sea shore?

THE OLD conflict over whether bread comes before beauty has broken out again, this time on Anglesey, the island just off the North Wales coast. Anglesey has been neglected for years, brought to life only by the summer tourists and the trainloads of Irishmen making for Holyhead, and its unemployment figures are continually among the worst in Britain. So the fact that three industrial giants have suddenly seen prospects in its natural resources should sound like good news.

But the people of Anglesey are looking sceptically at their gift horse, fearing that the new industries will destroy the land and pollute the air and sea. So now there is a classic confrontation, with Rio Tinto Zinc, already established with an aluminium smelter at Holyhead, Canadian Industrial Gas and Oil, wanting to mine copper at Amlwch on the northern coast, and Shell, who think that Amlwch harbour is the finest site for a super tanker terminal in Europe, all lined up against Welsh Nationalists, bird lovers, hoteliers, retired golfers and Friends of the Earth.

Shell has two alternate routes for a pipe line from Amlwch harbour to a tank farm at nearby Rhos Goch. One goes under the

the fluoride on Holy Island

CLEDWYN HUGHES used to have the Anglesey Aluminium smelter almost at the bottom of his garden in Lolyhead. But since the smelter has come on steam, the Anglesey MP and former Labour Secretary of State for Wales has moved three miles south to luxury Trearddur Bay. It is quieter and there is less of that tell-tale white dust.

The smelter was the first of the battles fought by the preservers of Anglesey's industrial chivalry and they lost. Now the 400ft chimney can be seen for miles around, puffing a thin cloud of fluoride into the sky. Anglesey farmers recall that, at an official inquiry, Rio Tinto Zinc (which is the major partner in the consortium) promised a 95% contain-

## Prufrock in Anglesey

homes of Emyr Dutton-Jones, the Amlwch town clerk, William Williams, retired sea captain, and John Jones the Tobacco. They have all refused to allow Shell to survey their land.

So Shell asked the golf club about the second route—and finds it of like mind. Not surprisingly, with Jones the club president and Dutton-Jones and Williams former club captains. Do Shell have a third route? "I don't know and I haven't bothered to find out," says Capt. Williams (handicap 13).

Shell have been plotting their invasion of Amlwch, where the sea drops to 20 fathoms in no time at all, since the mid-1960s. Two miles offshore, tankers will offload 50 million tons of crude oil a year at two single-buoy moorings. The oil will then be piped, via storage tanks, inland to the tank farm, and thence 70 miles to the Shell refinery at Stanlow in Cheshire.

Details of the terminal appeared in one of the Company's house magazines and, by sheer chance, the news leaked onto the island. When Shell and the Mersey Docks and Harbour Board announced plans to promote a private Bill in Parliament to provide for the terminal's off-shore installations, Anglesey County Council halted the idea in its tracks.

So Shell offered the county a royalty of one new penny per ton of oil landed—£170,000 a year rising to a maximum of a quarter of a million. Shell's PROs

ment of high-level emissions of fluoride, on a production of 100,000 tons a year. But then Duncan Dewdney, head of the consortium, announced that the containment would only be 86%. As the smelter will now produce 300,000 tons a year, this amounts to a more than eight-fold increase in fluorides—and a greater danger of fluorosis.

A protesting Holy Islander (Anglesey is really two islands, and Holyhead is on the second, Holy Island) was told by the chief alkali inspector, F. E. Ireland, that "we do not accept that the estimates submitted by the company at the public inquiry were binding in any way." Industry, he guessed, "cannot be handicapped by rigid rules based on esti-

criss-crossed the island meeting people, showing films, explaining, cajoling, dampening talks on pollution. In March this year, the County Council voted by a large majority to promote its own Bill, virtually identical to the first. From the fatalistic turn of the debate it is clear that the Council (representing 60,000 islanders) did not believe that it could take on the might of Shell.

Yet Shell had still not presented its planning application to the council. When it did, the County Planning Officer, Norman Squire Johnson, made an exhaustive investigation and recommended against the terminal. The planning committee ignored his advice. The report has never been published.

The Lords referred the Bill to a Select Committee. Anglesey Defence Action Group, president the Marquess of Anglesey and backed by the Council for the Protection of Rural Wales, Amlwch Chamber of Trade and the London-based Friends of the Earth wanted the Bill dropped entirely. But the committee decided in favour of a single vote and the Bill should become law before the end of the year.

Shell's most powerful argument is "national interest," which means the North West needs oil and the bigger the tanker the cheaper the transport costs. Last year Shell claims to have handled 65 million tons of oil, through 16 single-buoy moorings around the world, with only two recorded spillages.

The thought of a million-ton tanker blocking out the holiday sun dismayed local hoteliers, not impressed by Shell's suggestion that a trip around the vessel would be a magnet for tourists. One million tons is an awful lot of oil to offload in a shifty north-wester and a dizzying current. And the tide runs along the coast, not in and out, so a spillage could pollute 126 miles of sandy beaches—much of it areas of outstanding natural beauty—kill razor-bills, guillemots, puffins, mussel fisheries, shellfish hatcheries at Conway and ruin the marine research programmes in the Menai Straits and the £7 million tourist industry. One open hatch, and Shell's £250,000 payoff would be like a black drop in the ocean. But Shell points out that because the oil would run

along the coast, it would give more time for sweeping up.

In exchange, Amlwch gets a derisory £1,000 a year and a £4,000 lump sum for handing over the harbour to the County Council.

Says Emyr Dutton-Jones (handicap 34), "We'll get a better harbour and a few hundred employed in the two years' construction, but afterwards only about 20 jobs will go to local people. If there was a referendum in the town, we would reject it."

Shell says there will be no refinery, but we have no guarantee somebody else won't build one here. Or a petro-chemical complex," adds Dutton-Jones. "We only have their word for it that single-buoy mooring is the safest system yet devised. The planning inquiry in October will only be able to discuss land installations. We want a full-scale inquiry into the whole question of discharge of oil into the country and, in particular, the effect on the amenities of Anglesey. But any inquiry would have to be held before the Bill became law—otherwise how could the commission defy the will of Parliament by rejecting the terminal?"

In the end, Shell will probably have their terminal. But their troubles could only be just beginning. At a memorable Shell publicity meeting in Amlwch, Mrs O. T. L. Huws recalled that insurance did not cover war, riots and civil commotion. "Bear this in mind when you lay out your pipeline," she advised.

## Your friendly neighbourhood copper

IF AMLWCH is yearning for its ancient prosperity, it could happen quite soon. Canadian Industrial Gas and Oil are getting warm at the Parys copper mine, two miles out of town. Five years and £1 million after prospecting began, they are about to drill bore holes in search of a rich seam. Edwin Cockshutt, retired Ministry of Aviation engineer, mine historian and the company's adviser, is convinced the copper is there in workable quantities. The Celts, and later the

Romans, only scratched the surface of Parys. It took the discovery of a rich vein of ore in 1783 to turn Amlwch into a boom town—it mushroomed from three houses to 6,000 people (today it has half that). Parys copper bottomed the British, French, Dutch and Spanish navies and two years before the French Revolution, gave forth 4,000 tons of pure copper. It controlled world copper prices and, in an undercurrenting war, delivered the coup de grace to Cornwall's mining ambitions. But the momentum of the mine declined after the Napoleonic wars and Amlwch was forgotten. Since then, the owners, the family of the Marquess of Anglesey, have been looking for a serious operator. The copper course, from Norway to Southern Ireland, via the Lake District, Anglesey and County Wicklow, has scarcely been touched.

Cockshutt predicts a 34% metal extraction from the ore, far above the minimum of 1% needed to make it pay. The company will need to invest almost £10 million, but would recover its outlay in five years. "I foresee the day when Britain once again exports copper."

Ten thousand tons of crude ore extracted a day will give work to 400 people, says Cockshutt. "Amlwch, remember, has 10%, or 350 people, out of work." Cockshutt also has a recipe for reducing the desolation that is a relic of earlier activity on the mountain. "You empty the silicate waste into tailing ponds on the mountain, let them thicken and when they're settled, spray with compost and plant crops, thus rejuvenating land which for years has been barren." After which, Edwin Cockshutt becomes a Friend of the Earth.

## Friendly persuaders

IF Shell, RTZ and Schweppes are enemies of the earth, Graham Searle is a Friend. Since Friends of the Earth (FOE for short, no, he) went into business in a minute office in King Street, London, in February, they have barely pricked the conscience of the great polluters. But Schweppes tasted some of their own bitter lemons when Friends dumped an embarrassing pile of non-returnable bottles at their West End head office. Another Friend, Richard Thompson Coon, organised the anti-Shell terminal petition to the Lords.

Friends' preoccupation now is open-cast mining of low-grade ore—which must be on a large scale to make it economical. "Many mines are in low population areas, especially national parks like Snowdonia, the Lake District and the Dales. But these remote areas play a fantastically important role in our life. They are not just a Welsh or a Yorkshire concern, but places where we go to be rejuvenated." Last week Searle was in Snowdonia watching Rio Tinto's prospects. "If they got the go-ahead for mining in a National Park, then I bet a pound to a new penny there will fifty other mining applications within a year—South African, Canadian, American and the rest."

## Denis Herbstein

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## Letraset Limited

Key points from Chairman's Statement and Accounts for the year ending April 30th, 1971:

**Profit** Increased to a record level with an overall increase in sales of 23 per cent and improved margins.

**Dividend** Increased from 10 to 14 per cent in view of prospects and improved liquidity position.

**Exports** Increased 25 per cent and accounted for over two thirds of total sales.

**Prospects** The first quarter's results show further increase in both sales and margins. Profits in the current year are anticipated to show an appreciable increase on the year under review.

### The Year at a glance

	1971	1970	Increase
2000	2000		
Sales	5,354	4,343	23.3%
Profit before taxation	477	303	57.4%
Profit before tax as percentage of sales	8.9%	7.0%	1.9
Profit before tax as percentage of capital employed	20.6%	13.1%	7.5
Dividend	14.0%	10%	4.0
Earnings per share	3.14p	1.41p	122.7%

## DOUGLAS

Civil Engineering & Building Contractors

Salient points from the Statement by the Chairman, Mr. R. M. Douglas, O.B.E., for the year ended March 31, 1971.

■ Turnover at £25,137,000 shows an increase of 14.2% and the Trading surplus at £1,572,313 shows an increase of 3.8%.

■ A Final dividend of 15% is recommended on the Ordinary Shares making 20% for the year (1970—20%).

■ The policy of wide diversification of interests has contributed in no small measure to the stability and progress of the Group and has proved to be a useful safeguard against difficulties arising in any particular sphere of activity.

■ The volume of work in the industrial field has kept up to the level of the previous year. The volume of general construction work in hand is lower but the supply and specialist units have a greater volume of work in hand.

■ The Group is in a relatively strong position with adequate liquid resources to take full advantage of any improvement in trading conditions and is well organised to play its full part in any expansion of the economy.

■ Subject to unforeseen circumstances the Chairman has every confidence in the ability of the Group to ensure a steady rate of progress.

**Robert M. Douglas (Contractors) Ltd.**

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The rising level of affluence should generate an increasing demand for such financial services as banks, insurance companies and investment and property companies.

All of which means that — as many commentators are already predicting — the financial sector should continue to be a growth area in the future.

Apart from this general increase in demand due to increasing prosperity and the need for financial services in an advancing economy, the growth potential of the sector is not as susceptible to the effects of inflation as most manufacturing industries. This is because it mainly comprises companies in which wages account for only a comparatively small proportion of the total income.

However investing in the sector directly would prove a costly affair and the portfolio would require constant attention.

A simple way to invest in financial services is through the Save and Prosper Financial Securities Fund.

Launched in December 1970, it has already shown a growth of 37.6%. Although a short-term record such as this cannot be projected forward at anything like the same rate, there is every indication that the Fund is solidly positioned, with all the experience and reliability of Britain's largest unit trust group behind it, to reap the full benefits of future growth in the financial services area.

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"WE ARE playing under entirely different ground rules, the Marquess of Queensberry rules v. street fighting. Our foreign competition uses street-fighting rules." Donald McCullough, past president of the American Textile Manufacturers Institute and chairman of Collins & Aikman.

"Rather than call it US protectionism, I would call it a beginning toward an enlightened and reasonable economic nationalism. The rest of the world has practised economic nationalism, but we have not. Ely Callaway, president of Burlington Industries Inc, the biggest textile group in the US.

"The road into Japan is about three inches wide. The road into the US is about three miles wide." Donald Kendall, chairman of PepsiCo Inc and head of the Emergency Committee for American Trade.

"We also have nontariff barriers to trade but I think we are much more the victim than the culprit. I think others have many more barriers than we do." Maurice Stans, US Secretary of Commerce.

These quotations, which apart from the last one were from a seminar held by Time Magazine in May, reflect the state of paranoid delusion in which much of the American business community is over their country's position in world trade policies. To be fair, there is much truth in Kendall's observation, especially as it was made last May, before the latest round of Japanese trade liberalisation. The Japanese have been subsidising exports, have discriminated against American firms in certain Japanese markets, and have maintained quota controls on a large range of imports. Liberalisation is more than half-way complete (except perhaps on US investment in Japanese manufacturing). But Japan has still some way to go before she can claim to be operating in accord with international trading rules—and the progress that has been made has only occurred because of intense American pressure on them. The current American phobia about foreign trade is, at root, a quarrel with Japan.

The trouble is, it has become inflated into much more than that, with a lot of emotion aggravated by economic difficulties at home, due to the recession. And, of course, acting on this situation, there are always special interests lobbying for government help against the foreigner—any foreigner. Unemployment is still far too high, with a presidential election little more than a year away. It is not surprising therefore that even the White House colludes in this self-deceiving game of blaming the foreigner for America's troubles.

And so we have the otherwise puzzling phenomenon of the US Treasury assuring foreign journalists that the 10% import surcharge will come off once the Japanese revalue the yen by an adequate amount (15% is what they apparently have in mind) while the rest of the Nixon Administration assumes it will stay on a long time. The surcharge is about the most popular thing Nixon has done since getting elected in 1968, and he doubtless sees himself getting re-elected by it next year.

Full use of this hardening of US attitudes will be made for negotiating purposes—not just bargaining the surcharge against exchange rate changes (in fact, hopes of this look poor now for the immediate future). These will include non-tariff barriers, the so-called "border tax" argument, sharing the costs of NATO, preferential trade arrangements set up by the Common Market, and who knows what else.

So it is now Washington against the world. If a real, open discussion of these issues gets under way, what will happen as the layers of self-deception get peeled off? Will people like those quoted above quickly realise that the US is not whiter than white in trade policy, after all?

Take Maurice Stans on non-tariff barriers. In the same congressional testimony from which I quoted him above, he listed non-tariff barriers against the US, and those used by the US. The former run to more pages, but these consist mainly of protection by underdeveloped countries, whose barriers generally cause little concern because they can't afford to buy more anyway. The list of American non-tariff barriers is however longer than those for Britain and the Common Market countries combined.

# So what's new about Fortress America?

By MALCOLM CRAWFORD Economics Editor



Perhaps the largest number of accusations against the US are over valuation problems. The worst one is undoubtedly the American Selling Price system of valuation, whereby US Customs charges duty (on a wide range of products, mainly chemicals) not on the export value, but on their estimated value in the US. The Johnson Administration thought it had negotiated this away in the Kennedy round, but Congress has so far refused to ratify this concession. Europe and Japan are in the meantime, but would sooner get the agreements implemented than continue this extra tariff protection.

The US Customs uses eight other valuation systems besides ASP. Some products are valued by "appraisement" and the complexities and uncertainties that arise are a hindrance to trade. It would simplify matters for everyone if the US went over to the Brussels

definition of valuation, to which Britain and other European countries adhere.

There are special valuation problems arising from anti-dumping legislation. The Nixon Administration has stepped up its surveillance of dumping in the US—the anti-dumping division has increased its investigating staff from four to 41—which would be fair enough, were it not for the uncertainties in US anti-dumping law. It is hard, for instance, to know what their Customs will consider a fair landed value, after allowing for special expenses of exporting. The American Importers Association has asked the US Treasury to give opinions on such matters, whenever US importers and foreign exporters request. The US does not entirely adhere to the International Dumping Code.

Then there are quotas, and "voluntary" restraints on exports by foreign countries. These are in practice no different from quotas, but Americans

like to think they are more ethical, somehow. Quotas on American imports of industrial products have risen from seven in 1962 to 67 last year (including "voluntary" ones). At the same time, import licensing by other developed countries has been steadily reduced. It is a moot point whether even Japan may now be "whiter" than the US on quantitative control of imports.

On cotton textiles—one of the most important of these—the US participates in a control system sponsored by GATT, but the proportion of cotton textiles the US allows in under this is much less than is permitted by Britain and the Common Market.

Containers for American ships may not be bought abroad, if the ships are operating under differential subsidy contracts. Restrictions on imports of firearms are more severe than those on internal trade.

There are many restrictions on food imports, both for

health reasons and overt protection. Most other countries have these too, though.

No more than 1,500 copies of any book written by an American in English can be imported.

Government procurement is another major non-tariff barrier. Here the US Federal Government is probably a little cleaner than Britain, France, or Japan. Defence spending in or near the US is virtually closed to foreign suppliers, but other centralised federal purchasing departments use only a 6% margin of preference (generally) for the American product under the Buy American Act.

State and local government preferences tend to be more arbitrary, though, and there is much more in the way of implicit "Buy American" clauses in the private sector, than there is in Europe. Insurance companies, for instance, tend to insist on testing arrangements provided by domestic industries, and these often imply buying the domestic equipment as well. US

foreign aid is also more tightly tied than Britain's, though perhaps not more so than that of, say, France.

All subsidised ship construction must be done in American shipyards, and equipment purchased must be of American origin. Nixon has just extended this principle to industry generally, for his new investment allowances are conditional on the goods being made in the US. This is very bad, because European countries that have used investment incentives (especially Britain) have made them non-discriminatory with regard to the origin of the equipment. Nixon has introduced an utterly wrong new non-tariff barrier, at the very time when negotiations on non-tariff barriers are getting under way, on a long-term basis, at the GATT.

Standards are, perhaps, the fuzziest area in the non-tariff field. More often than not they can be justified, even where they tend to protect the domestic industry. But the US has some fairly blatant ones, such as the condition that pressure vessels must bear the stamp of the American Society of Mechanical Engineers.

Then there is the tariff schedule. American officials have been going on at great length lately about the way the Common Market has been breaching GATT principles of multilateral non-discriminatory trade, by conceding preferences to African and Mediterranean countries. Having built up a head of steam about this, they are uncertain just how to react when the four EFTA neutrals (Sweden, Finland, Switzerland, Austria) receive free trade area treatment after Britain joins the Common Market—for this will amount, in effect, to reciprocal preference. Yet for years the US, while preaching multilateralism, used to make what were effectively reciprocal tariff changes, by splitting their tariff headings up, so that the goods under the new subheading were in fact ones supplied by the country making concessions to the US. Partly as a result of this, the US has thousands more tariff headings than other countries. The US Tariff Schedule is a terrible thing to try to find your way through—related items are often listed separately, and exporters claim that it is in itself a non-tariff barrier.

The most valid American complaints about other countries are those about State procurement. The public sector in Britain buys hardly any goods from outside EFTA, unless they are totally unavailable. Continental American firms counter by establishing plants in Europe—which is fine for the US shareholder though the unions don't like it. They also complain about higher road taxes on large cars in Japan and some European countries. American cars happen to be big. Being big, they also make greater demands on road space, bridges and inter-sections, than smaller European cars. If vans should pay higher road taxes than small passenger cars—as they do—why shouldn't large passenger cars?

The greatest output of verbiage from Washington, on bad foreign behaviour, has been over the alleged "border taxes." Mainly, this reflects the difficulty Americans have in understanding the value added tax. Experts in Washington who should know better, have compounded this ignorance with pages of sophistry about how fiscal discrimination occurs because taxes are not always entirely "passed on." This is irrelevant. Really, the issue is simply whether indirect taxes in Europe (which are levied both on imports and domestic products) are levied at effectively the same rates on both. Almost invariably, they are.

It is hard to avoid the impression that the US was among the most restrictive markets among the big 10, apart from Japan and (possibly) Italy, even before the Nixon surcharge. The surcharge is now a fait accompli. Other countries are partly responsible, because if they had revealed their currencies in time, the crisis might have been averted. This would not have sufficed, however, without much earlier reflexionary action by Nixon.

Past errors on both sides are water under the bridge. What is important now is for the rich nations to co-operate together to reduce America's paranoia over foreign trade. This should involve concessions, but not meek surrender. It should also include demands upon the US—like, for instance, to implement its undertaking on ASP valuation, and stop demanding "voluntary" export curbs. None of this will be achieved in a week.

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## Accountancy and Finance

## General Appointments

## Accountancy and Finance

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"I don't know what most of these rules mean," Mr Justice Winn, August 24, 1961.

ION RULE books are strange documents. Framed by founding fathers to bind the power of union officials, they are often much better at binding ordinary men in knots. The ETU rules have changed several times since they were first written, but they are no less tortuous now than they were then.

In the last few months, the rules have allowed the most important office in the union, that of General President, to remain vacant since last December. They have let Frank Chapple be re-elected General Secretary of the union with his only credible opponent disqualified and they have permitted the union's regular two-yearly conference to be delayed, a minor point, perhaps, with significant implications that will emerge later.

One writ by a national official that the union has already heard in the High Court, further litigation may be the offering. And an embryo position to Chapple has been to form reminiscent in its title of the anti-Communist position of 10 years ago in which Chapple himself played a leading part.

In 1959, the Communists staged a ballot, in a desperate effort to preserve their own man, Frank Haxell, in the General Secretary's job. Fearing Haxell was going to lose election for General Secretary, they actually posted bogus envelopes so that branch ballot-favouring Haxell's opponent, Jock Byrne, appeared to have too late to count.

The Communists were caught rigging an election. In the same situation, one thing is made clear. Nothing good has happened. But in the balance of power a union, deferring the election for the top job can have important effect.

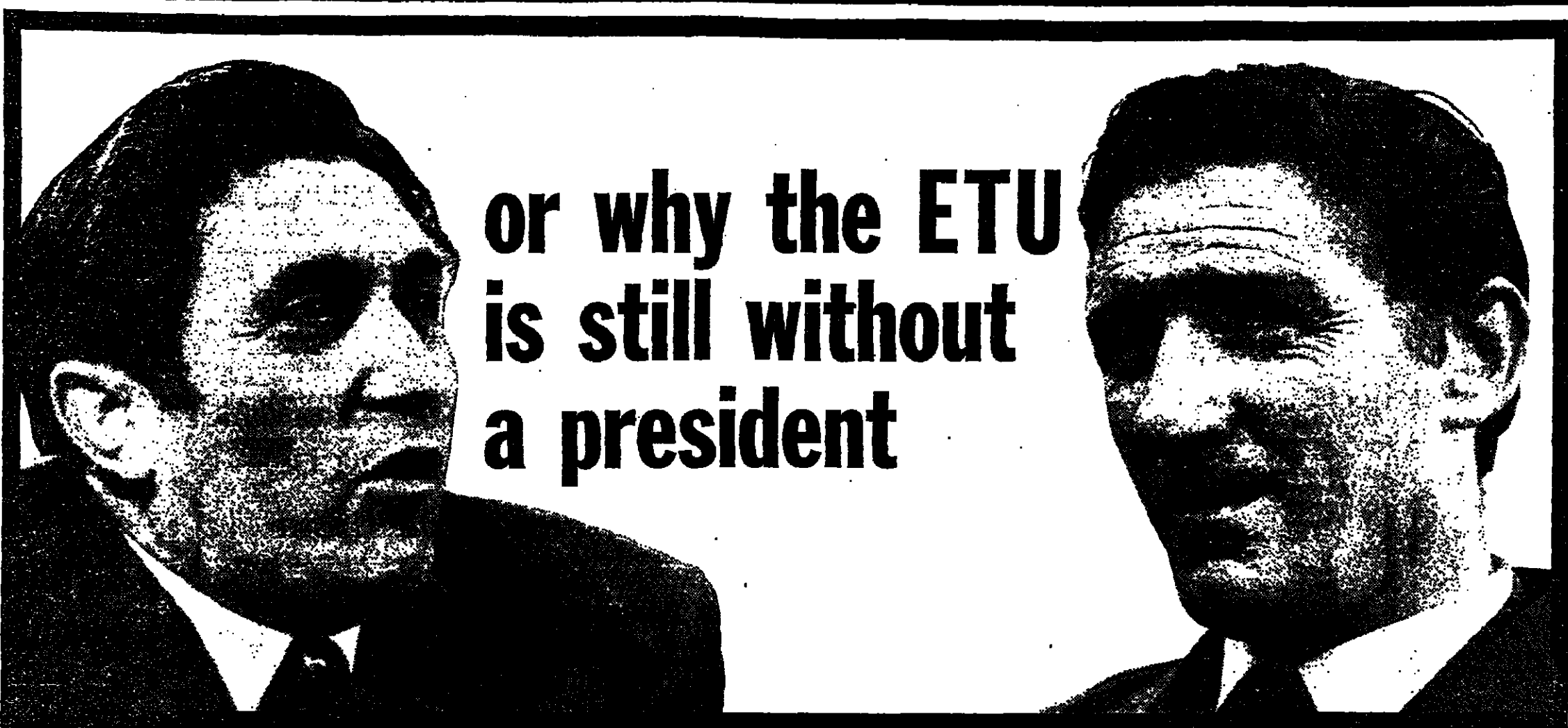
Struggle for power inevitably began last December with the death of the union's General President, Les Cannon, a mild-mannered, friendly, and a no-nonsense tactician, he has been as able as most union leaders to assert his influence in the union's controlling body, its Executive Council. But the responsibility for the present state of affairs must rest with them.

The decks for the struggle were cleared on 29th December, a few weeks after Cannon's death. Then, because of the resulting pressure of work on Chapple (and changes in union rules because of the Industrial Relations law) the Council agreed to postpone the union's two-yearly conference from May to October.

The first move in the power struggle began on January 25, when the executive of the union decided to call for nominations for an election for the General Presidency. At the same time, it also called for a legal opinion "On the validity of the nomination of all full-time officials." Mark Young is a full-time official and was known to be anxious to stand.

At its February meeting, the executive duly heard an opinion from Ronald Waterhouse, QC. "On balance," he told them, "I think the true construction [of the rules] is that a member of the Electrical

# THE RULE BOOK WAR



## or why the ETU is still without a president

Frank Chapple

Mark Young

For the second time in a decade 420,000 electricians in Britain's fifth largest union may have to watch their leaders drag their quarrels into the courts. ERIC JACOBS examines the way in which the balance of power can be affected in that union—through the innocent-looking medium of the rule book.

With Cannon's death, Chapple is the senior survivor of the old anti-Communist group. Short, burly, shrewd, and a no-nonsense tactician, he has been as able as most union leaders to assert his influence in the union's controlling body, its Executive Council. But the responsibility for the present state of affairs must rest with them.

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At its February meeting, the executive duly heard an opinion from Ronald Waterhouse, QC. "On balance," he told them, "I think the true construction [of the rules] is that a member of the Electrical

section who is a full-time official is ineligible, unless he resigns before nomination." Mr Waterhouse went on to rule 11 executive councillors out of the running, unless they resigned first, and Chapple too. It appeared that the only senior officers of the union who could stand without first resigning were the three executive members from the small Plumbers' Union, with which the ETU merged three years ago. The Plumbers' Union (known officially as EETU/PTU) now has 420,000 members and is the fifth largest in the TUC.

Mark Young was thus eliminated, along with every other candidate much more prominent than a shop steward—including Chapple himself. How on earth could this happen? Here, we must plunge briefly into the complexities of the union rule book.

Since 1965 it has been understood that the 11 executive councillors—the union's board of directors, elected on a regional basis—would not stand for the jobs of national officers (the union's main negotiators) and in return the national officers would not stand for the executive council.

The idea seems to have been the reasonable one of removing possible sources of friction. But the rules left completely

obscure the status of General President and General Secretary. Were they full-time officials, or were they executive councillors? In fact, they appear to be both at the same time and so neither full-time officials nor executive councillors could stand for either of these two top jobs.

This interpretation of the rules eliminated the only people in the union with any kind of national standing from the Presidential race. And indeed, as was to become clear, later, it also eliminated all such people from competing with Chapple for his own General Secretaryship.

When they heard Waterhouse's opinion the executive decided to call off the Presidential election. For several months, at least, the possibility of a new President was removed.

But there remains the question of Chapple's own post. Chapple had been elected General Secretary of the ETU for a five-year period, and that would be up in September this year.

On May 15, the union executive met to consider the list of candidates nominated for election. Five names were on it. One, Mark Young, made it known that he did not want to run. That left Chapple, two relatively unknown shop stewards, and Jack Ashfield, the executive council member for the Midlands. Ashfield was the only man in the running with a real chance of making a dent in Chapple's vote.

### The critics start to speak

Chapple, as the minutes of that meeting put it, "Drew the attention of the executive council to the fact that the acceptance of nomination by Bro J. R. Ashfield had been received at this office (union headquarters) on May 11," i.e. one day late. This was true, but it was a somewhat threadbare point. And Ashfield was ready for it. He produced evidence that he had sent off his acceptance on time by recorded delivery post.

The executive accepted Ashfield's explanation. Chapple left the room while they considered the eligibility of the candidates. If he was worried, he needn't have been. Waterhouse's opinion still held good: Ashfield, as an executive councillor, could not stand. Three names only went on the ballot papers, and the following month Chapple was well and truly re-elected.

The decisions over the Presidential and the General Secretary's elections were both hotly challenged not just by the Left-wingers in the Communist Party—backed by the "Flashlight" group, who have challenged everything that has happened in the union since the Communists lost power but by Young, Ashfield and Charlie Lovell, once the Plumbers' leader and now a member of the combined union executive. Lovell was the first critic. In a letter dated March 23, he warned Chapple that he intended to raise an objection to the way in which the executive had reached its decision not to hold a Presidential election.

This letter was not, however, discussed by the executive at its next meeting, for by then Lovell had supplied an affidavit in support of a

writ that Mark Young had issued with two aims: to have a Presidential election called and to get a declaration that he, Young, was eligible to stand in it. Young's case was argued on May 12 and 13. On May 19, Jack Ashfield joined in with three stiff letters to Chapple.

Lovell, Young and Ashfield each had their own points to make, but they all had one point in common. Frank Chapple himself had been elected General Secretary of the ETU in 1966 without resigning his previous job of Assistant General Secretary (an office since abolished). His own eligibility had been disputed at the time by the union's Darlington branch. But the executive had, in January 1967, ruled in Chapple's favour and their interpretation of the rules was, "That for all electoral purposes, the General President, General Secretary and Assistant General Secretary are full-time officers of the union."

Surely what was good enough for Chapple was good enough for Young? It is interesting to note that in an affidavit to the High Court Chapple pointed out that documents concerning his election in 1966 had been passed to Waterhouse, "who had advised in consultation that they do not affect the conclusion expressed in his previous Opinion." But there has, as yet, been no definitive ruling on this central point. Lovell got no answer to his letter. Ashfield got a fairly stony set of replies to his three from the union's solicitors, and Young had his case dismissed before the High Court on the technical ground that there was no compulsion on the union to hold a Presidential election before its next rules revision conference in October. His eligibility was never finally proved one way or the other in the only way that it now conclusively can be—through the courts.

So far, all that had happened was that Chapple had been re-elected while there had been no election for a new President. If, however, both elections had been postponed to, say, next December, a very different picture might have emerged. Young would almost certainly have then been able to stand for President and Ashfield for Chapple's position as General Secretary. For the union's executive is proposing to the October conference that the bars to both offices on full-time officials and councillors should be lifted.

The five-month delay has meant that Chapple was elected without opposition from Ashfield. It has also opened up new prospects for a future in which the union might no longer have a powerful, old-style President, but perhaps a lay President, as the majority of unions have, or even no President at all.

To understand what the postponement of the conference meant, it is necessary first to plunge once more into the union rule book and then to consider the meaning of the merger talk between the ETU and Hugh Scanlon's Engineering Union (AEUW) that has recently been started—to the cynical astonishment of the entire trade union movement.

General Rule 9(G) is a good example of the stop-gap character of what Lovell and Chapple worked out. It allows the executive of the new, combined union not to hold an election to replace an executive councillor if any council seats fell vacant before this year's conference. It was a sound, practical move in theory. Supposing a member of the council died and it was found his job was unnecessary, it would have been silly to hold an election just because the rules said you should. Why not leave it to the conference to decide? Who could tell in advance what organisational structure the experience of the two unions working together might suggest? But in practice, the main effect of the rule has been to delay the election of a new General President—even though the rules make it unmistakably clear that this is the prime post in the union and, by inference, the least dispensable.

There was, however, a further result of putting the conference back to October. What that effect was became clear at the executive meeting of July 27. As yet, no official minutes of that meeting are available. But this is what one council member told me had happened.

Chapple began by saying he had been approached by Hugh Scanlon, who had suggested they should talk about a merger. Chapple agreed. The two unions, he told the executive, had a lot of things in common. Scanlon, he said, was that very morning also meeting his executive and his union would be forming a working party for merger talks at that meeting. The ETU should do the same. The executive promptly agreed to do so.

Now this seemed a very unexpected thing for the ETU to do. For one thing, it was already supposed to be in talks with another union—the National Union of General and Municipal Workers—and, only shortly before, that union had

written suggesting that, after the lull in the talks due to Cannon's death, they should be restarted. And they had got an answer back from the ETU agreeing. But even more surprising was the notion that two unions of such different political colour should come together. Was it possible that two bodies as antipathetic as the far Left Electricians and the far Right Plumbers could ever find common ground?

There are certainly sound industrial reasons for a merger. Engineers and electricians do have a lot of common interests. But there could be another strand of logic. The Engineers have increasingly become a federation of unions. The Foundryworkers, and the Draughtsmen, for example,

### Pitfalls in the stop-gap rules

The 35 "General Rules" of the union were put together in 1968, largely by Chapple and Lovell, to carry the electricians and the plumbers through the first phase of their amalgamation. Many of the rules of the two parent unions were left intact. The idea was that at this year's conference the rule book could be looked at again and sorted out if necessary.

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Now this seemed a very unexpected thing for the ETU to do. For one thing, it was already supposed to be in talks with another union—the National Union of General and Municipal Workers—and, only shortly before, that union had

have recently joined up with it, leaving their own structure more or less intact.

In particular, their General Secretaries have been left in charge of their own outfits. In no merger between the Electricians and the Engineers could any President other than Hugh Scanlon be imagined.

Could it be that at the October conference delegates will be told that a merger with the Engineers is under discussion. What, then, would be the point of having a Presidential election? Might the ETU not even consider abolishing the post altogether?

But the story is not yet over. The saga of the ETU rule book is far from finished. For his opponents in the union are now considering again the question of Chapple's own election. Could Chapple, perhaps, be unseated in another High Court case?

### Was Chapple's election ever valid?

The grounds that Chapple's opponents think they have against him again arise from the complexities of the rule book. Their arguments go like this: Chapple was originally elected General Secretary of the ETU alone. When that union merged with the Plumbers, he ceased to be the elected General Secretary of the ETU and became the General Secretary of the new joint union—a job to which he had never been elected.

They claim it is thus impossible for the statement in the executive minutes of March 12, that, "The term of office of the General Secretary, Bro F. J. Chapple, ends on September 8, 1971," to be correct. That would only have been the case if the merger between the two unions had never taken place and Chapple had remained the elected secretary of the ETU only. Or, alternatively, if he had been elected in the first place by the combined unions.

Furthermore, the argument goes, even if it was correct to hold the election in June, the election that was actually held was conducted under the old ETU rules and not, as it should have been, under the new joint rules.

All this is conjecture on the part of Chapple's opponents. They may be right and they may be wrong. The only way of finding out is in the courts. And that prospect is formidable, both financially and morally. Do they really want a new round of court-room publicity? Yet there is no doubt that the way union affairs have been going over the last nine months has made that dismal prospect a very real one.

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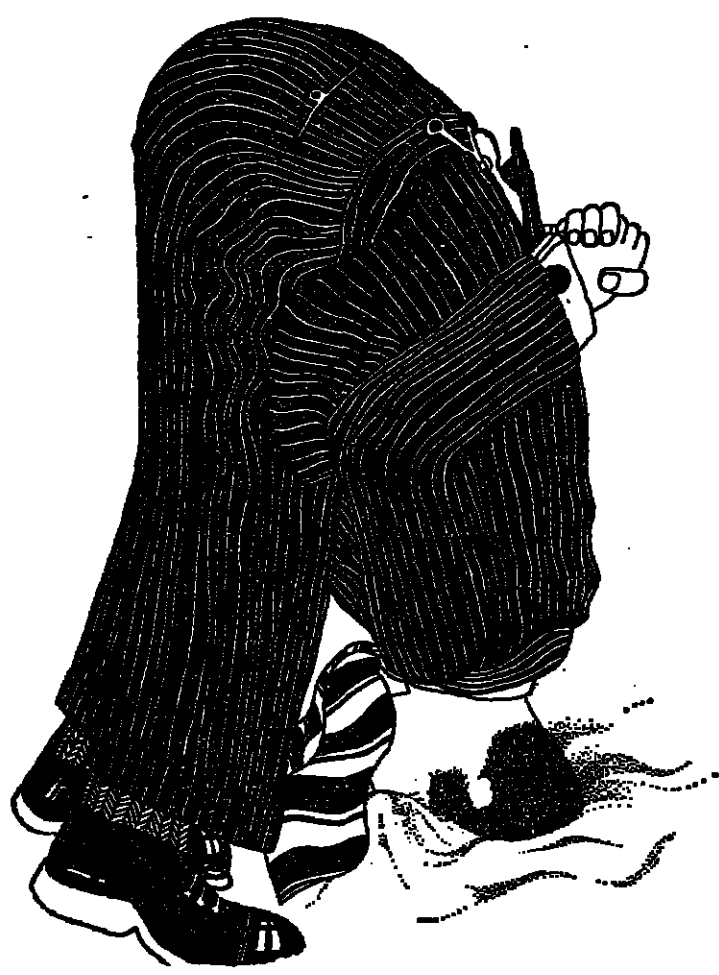
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**Greater Peterborough**





## International Operations Analysis

MBA or Qualified Accountant 28-32

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Please apply to Robert Varley, Head of Personnel Services, Electricity Council Research Centre, Capenhurst, Chester CH1 6ES quoting appropriate reference.

**Electricity Council Research Centre**

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## THE BRITISH OPTICAL ASSOCIATION

The Secretaryship of the British Optical Association will fall vacant on December 31st, 1971.

Applicants are invited to write to the President of the British Optical Association at 65 Brook Street, London W1X 3DT.

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This senior appointment has a diverse range of responsibilities which offer both challenge and interest. He will report to the Engineering Superintendent and could typically control up to six section engineers and 400 men. His responsibilities will span mining and metallurgical plant, all services, township maintenance, road and rail transport operations. His financial accountability could exceed £1 million per annum. The post will be with one of the three main operating divisions of Roan Consolidated Mines Limited which respectively control two large underground mines; a smaller underground mine and two open pit operations. Major expansion projects are being undertaken currently at two of these operations.

To meet the requirements as Assistant Engineering Superintendent, applicants should be 30 to 40, graduates, and chartered mechanical and/or electrical engineers. Some 5 to 10 years' responsible experience in heavy industry is necessary, covering design, planning, installation and maintenance. A knowledge of contract procedures and costing would be useful.

Employment is on a renewable contract basis with terminal gratuity, excellent conditions include low rental housing, children's education allowances, mid-contract leave passages for employee and family. Earnings are subject to Zambian income tax and currency regulations allow expatriate staff to externalise up to 50% of earnings each month. Paid leave is at the rate of 60 days per annum.

Please write, quoting reference SA.119, for further information and application form, to:

The Manager,  
Overseas Appointments,  
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One Noble Street,  
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**Urwick, Orr & Partners Limited** Personnel Selection Division, 2 Caxton St. London SW1H 0DE

## GENERAL MANAGEMENT

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Men, preferably married, between 28 and 35 are invited to apply. Graduates with a commercial qualification or ex-commissioned service personnel are preferred. At least 5 years business experience including supervisory and administrative responsibility is essential. A working knowledge of French is useful. SALARY according to age and experience likely to be £5,000 (including allowances, free housing, transport and other benefits) on taking up the overseas responsibility.

Candidates should be able to obtain early release and should write for an Application Form to Mr. L. K. W. Slattery, 2 Charterhouse Street, London, EC1N 6RX, by Friday, 10th September, 1971.

## LONGANNET POWER STATION

### ASSISTANT ENGINEER

(INSTRUMENT MAINTENANCE) COMMISSIONING

Applications are invited for the above commissioning post at Longannet Power Station which is situated on the north bank of the River Forth, approximately 2 miles east of Kincardine Bridge. The Station will ultimately comprise four 600 M.W. units, two of which have been commissioned.

When the Power Station is fully commissioned the engineer "in post" will either be absorbed within the Station complement or transferred to commissioning duties at another large power station. The successful candidate will form part of a maintenance team and will be responsible to the Maintenance Engineer for work on advanced instrumentation and control circuits. Whilst the work will normally be carried out on day work, occasional shift working may be necessary.

Applicants should preferably have served an apprenticeship and be qualified to H.N.C. standard. Practical experience in one or more of the following fields is essential:

Advanced Instrumentation  
Electronic Control Systems  
Light Current Engineering  
Electro-Mechanical Control Equipment

Salary will be within the range £1,992/£2,511 per annum, plus a supplementary payment of £60 per annum (N.J.B. G.12).

Applications, quoting reference 137/G/27/71 should be submitted on the standard form, obtainable from The Chief Personnel Officer, South of Scotland Electricity Board, Cathcart House, Inverleith Avenue, Glasgow, S.4, not later than 20th September, 1971.

**SOUTH OF SCOTLAND ELECTRICITY BOARD**

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This appointment is with a major company in the manufacture and supply of plastic materials. The Assistant M.D. will have the overall responsibility for the efficient operation and profitability of two of the divisions, and at the same time he will be intimately concerned with the general planning and strategies of the company as a whole. As well as an understanding of technical processes a trained mind is required alert to the financial and commercial factors in a highly competitive industry.

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Enquiries should be addressed in the strictest confidence, quoting reference number 1279 to J. H. R. Stokes, Clive & Stokes, 14, Bolton Street, London, W1Y 6ZL.

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Salary is negotiable around £2,500 depending on experience and qualifications. Conditions of employment are in keeping with large Group practice.

Applications, giving details of age, qualifications, experience, present salary and reasons for wanting the post should be addressed to:

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An attractive salary will be paid and details of other benefits will be explained at an interview. Applications, showing how the requirements are met, should be sent to K. E. Langford, Personnel Manager, Beecham Products Overseas, Beecham House, Great West Road, Brentford, Middlesex.

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Candidates must have experience in water resources planning and development and should have a knowledge of OR and statistical techniques. They must also have a 1st or 2nd class honours degree, or an equivalent qualification, in an appropriate subject, together with at least 3 years post graduate or other approved experience or by chartered civil engineers (those awaiting election also considered).

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For full details and an application form (to be returned by 17 September, 1971), write to Civil Service Commission, Alconway Link, Basingstoke, Hants, or telephone BASINGSTOKE 29222 ext. 500 or LONDON 01-839 1696 (24 hour "Ansafone" service), quoting T/7703. Candidates who have already applied should not do so again.

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We are seeking a high calibre man with experience in all aspects of production in the general engineering industry who has successfully held a senior management position involving the control of machine and assembly shops and all related supporting functions.

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The man—an expert in practical manufacturing, he must be a professional engineer with thorough experience of plant and man-management. He must be committed to the idea of international co-operation, and able to delegate whilst retaining ultimate control.

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**General Appointments   ●   General Appointments   ●   General Appointments   ●   General Appointments**



## LONDON DOCKS

### How do you raise productivity when there's no work?

THE PORT OF LONDON, which at last seemed destined for comparative peace since the dockers were given permanent jobs and a fixed basic wage following the Devlin Report of 1968, is facing chaos. The powerful Transport and General Workers Union is now demanding a cost-of-living increase and, because the employers will not pay, has threatened to revert to the pre-Devlin set-up. The TGWU has given the employers six weeks to find a solution but, if one is not forthcoming, the port will plunge back into the confusion of the bad old days. Sadly, this will be something that neither side wants at any price.

In a way, both the employers and the 10,500 dockers are victims of circumstances beyond their control. The forecast switch from conventional shipping to containers is well under way and the older part of the port, the enclosed docks nearer the centre of London—are losing out to Tilbury further down river. This point was rammed clearly home last week when the Hovey Antwerp Company, which has been in the enclosed docks for more than a century, decided to close its West India-Millwall operation. Its Tilbury dock will stay open.

The delicate union position was further exacerbated by Friday's decision by the Fred Olsen company, which has always been a wages payer and is not a member of the employers' association, to give its 246 dockers an £8.75 increase over two years, bringing their weekly wage to £43.75. Despite the psychological blow of the Hovey Antwerp closure, the size of this payout will not help cool the militants in other parts of the port in the present negotiations. They are understood to be asking for about £5. The dockers are both frustrated and angry.

A test of their feelings will come on Thursday when the National Amalgamated Stevedores and Dockers (NASD), one of the smaller port unions, holds a mass meeting. So far the NASD, which backs most of a 15-point

wage claim presented to the employers by the TGWU, has held back from threatening to withdraw from Devlin, a fixed basic wage of £10.50 a week, a lot of room for manoeuvre. To see why it is necessary to show exactly what the Devlin plan was. As the table shows, what is at stake now is 15 years of work to pull the docks into the 20th Century and this does not take into account the 19 other dock reports which have been compiled since 1946.

Devlin's two main reforms were ending the casual system, under which men were employed and laid off as and when needed, and the substitution of a fixed "standing" wage for the plethora of piece-work rates. Both reforms were accepted, with some reluctance, by both sides, and decasualisation (known as Devlin One) started in 1967. The new wage structure (Devlin Two) which, incidentally, was negotiated for the employers by John Hovey of Hovey Antwerp, came into force last September. Under this men in the enclosed docks earn between £36.50 and £39 a week. In theory all should be well, but things have not worked out. As Joe Payne, who is speaking for the employers in the present talks, explains: "If you're going to change the world you must allow sufficient time. I think Devlin has been brought in too fast."

It came too fast, for instance, for some of the road hauliers who carry goods in and out of the docks. Many of them stopped work at 7 pm although the dockers' two-shift day ended at 9 pm. And, although the dockside men had signed the deal, the lightermen, who operate the barges on the river, had not; so smooth working between the two groups was difficult. The lightermen, members of the industry's oldest union, the Watermen, Lightermen, Tugmen and Barge-men, in fact only entered Devlin Two last week—a year behind the others.

The effect of these problems was to hit the productivity that



Hovey Antwerp, shop steward George Pye (right) and his mates: sent home for lack of work

the employers were hoping for from Devlin. Joe Payne claims the conventional trades (in the enclosed docks) loading productivity in deadweight tons per net man hour has dropped between 27% and 33% from January-May, 1971, compared to the same period last year. Taking all dock operations, 5% more men were employed for an 11% drop in throughput with 15% more being spent on wages. This is not the dockers' fault. Traffic has been slowing away from the Port of London at a time when (thanks to Devlin Two) the cost of employing dockers had soared, and had become far more of a fixed cost than before because the dockers were guaranteed an income. Inevitably, something had to give. It finally gave on Wednesday when Hovey Antwerp, which used five berths for its general cargo Mediterranean trade at the West India-Millwall docks, decided to close down there.

Managing director Oscar Hovey says cargo has fallen around 100,000 tons (30%) over the past 12 months. "This has gone to containers and pallets (which can be loaded with fork-lift trucks) and a general loss of trade. Clients have found it uneconomical to trade to London." By this he means increased wage bills: Hovey's firm has to pay its men even if there is no ship to be worked. Three days last week all 240 men were sent home because there was nothing to do. On Friday as they stood around, shop steward George Pye

### 15 years' work that could go down the drain

1956: Lord Devlin's first report into dock labour.

1964: Second Devlin inquiry into dock labour.

1965: Full report published.

1966: Devlin reports on decasualisation.

1967: Devlin One—decasualisation starts.

1970: Devlin Two—basic wage introduced.

1971: Lightermen agree to Devlin Two.

said: "With no ships how can we increase productivity?"

Hovey's wage bill problems have not been helped by the Port of London Authority raising its charges by 17% and he does not attack his dockers' attitudes. "The majority have pulled their weight right to the end of the shift." And Joe Payne says: "In the past, 12 months, apart from the national dock strike, there have been no real industrial disputes." The problem is simply that a company can not pay men if there is no income. No wonder many people in the port fear that Hovey Antwerp will not be the last to go.

The 240 laid-off dockers will

go into the dock labour pool and their earnings will slump from £39 to £20 a week. It was, perhaps, a sign of the times in the East End on Friday that the Hovey Antwerp dockers were more anxious about their mortgages than not having cash to feed their families. Many have moved from the immediate area since Devlin, and one says: "My petrol bill is £4 a week. It's hardly worth coming in to pick up £20."

The Dock Labour Board has now become a central part of the current pay talks. This body, on which employers and unions are represented 50-50, registers dockers, who cannot be sacked, but only encouraged to leave with pay-offs. At least 150 men under the board are unemployed or incapacitated, and Joe Payne is saying some should go. But the unions say many have become like this following injuries in what is still hazardous work. As one fit man says: "Why should we force these blokes out? It could be me next."

So this weekend in the Port of London everything boils down to this: The employers want more productivity before they pay up; the unions say it is not possible to achieve this productivity, but they are entitled to more money. It looks like an impasse, but a way must be found round it. Too much good has already come out of Devlin, with the promise of much more to come, for years of hard work to be thrown away.

John Fryer

## UCS: throw good money after good

Upper Clyde Shipbuilders still has the capacity to surprise. Ever since its ill-starred foundation three years ago the news from it has invariably been gloomier and gloomier. Yet last week the liquidator revealed just how much Ken Douglas, the managing director, had improved the position since he took over two years ago. Over £20 million of the much-banded figure of £28 million total losses turn out to be for the years before his arrival. The annual rate of loss in 1969-1970 was £4 million and for the current year (one in which inflationary pressures have caused low moaning noises from shipbuilders the world over) it was down to £3.5 million.

Even the recent losses are large enough to ensure that the Government feels it is doing the right thing in breaking up the UCS complex and throwing out of work something between 6,500 people (those actually employed in the yards) and the 27,000 figure circulated as the possible consequential sackings by UCS's suppliers. But in fact the figures make complete nonsense of the Government's case. How ridiculous this is can be judged from the high pitched shrieks of the Japanese shipbuilders. These paragons of efficiency are now claiming that they need hundreds of millions of pounds to save them from instant bankruptcy at the slightest change of the value of the yen.

In other words even they require government aid. So does the rest of the shipbuilding world—and in much larger sums than UCS would need. In computers and aircraft the Government has accepted that a British presence in the world is necessary and that this inevitably implies Government support in many forms (not just cash but orders as well). The reasons why the Government will not accept a similar case for shipbuilding are many and various. Cynics will claim that this reluctance is because ships are built in constituencies which are solidly Labour anyway, so are, politically, not worth bothering about. The growth-technology set (who have become somewhat *sotto voce* of late) would say that shipbuilding, unlike aircraft or computers, is not a high scientific interest area. Solid industrial toughies would say that the industry—especially UCS—was in such a mess, managerially and physically, that recovery would be too expensive to be worth while. Union-bashers can legitimately point to the recent Commission on Industrial Rela-

### ANY OTHER BUSINESS



by Nicholas Faith

tions' report on the industry as proof that the unions, by eternal and strike-full quarrels, have ruined the industry and deserve to take their punishment in the form of unemployment. None of these arguments (except the electoral one) applies in the UCS case. The liquidator's figures show that clearly. Recovery was not only possible; it was actually provable in figures—as was the co-operation of the workers and unions by increasing productivity fast and in accepting several thousand redundancies over the past two years. Under Douglas UCS was being confined to the relative mass production of types of ships actually needed in world trade in the future. And the cost of saving UCS as a whole is clearly limited. The reduction in losses shows that it is no longer—as it was once—a question of a bottomless pit swallowing any likely Government aid, but of a once-for-all payment of probably around £10 million in working capital and physical improvements.

Not spending the money will, of course, cost the Government itself some what more than £10 million—and the economy as a whole far more. Given that there are 20 men looking for every job in the area, given, too, that the average period for which men are out of work there is now reckoned as several months, the straight cost of keeping the UCS men on the dole will be more

than £10 million. The cost economy in lost product, exports, avoidable increased spending power course, higher.

But too much emotion is now involved for the ment to behave efficiently. No one in the Government has ever explained why this could not be industrially. The report of the Four Ws, none of whom was professional engineering, or indeed manufacturing industry. (In its published version it sums up the anti-UCS implication anti-Douglas) prevalent among Britain's shipbuilders. It could easily throw up its hands at the past—but the UCS has been seen make this history irrelevant.

Of course the sack of UCS can be held as an example of the excess of State intervention in industry. But in fact such governments have behaved like private shareholders. The State normally does what industries in its charge, namely governments interfere much. Like impatient donors they are forever up nationalised industries roots, examining them to see they are doing and then then back anyhow into having interrupted and thwarted the development plant involved. In the UCS successive governments have behaved much more like private shareholders. They even did a dubious intervention in the first place, they refused to face the true things until too late. The perpetually been reduced put in money when it was in no hurry to change a ment.

Both Labour and Conservative have behaved like the owner of an incompetent holder capitalism. The men's present behaviour precisely that of the stricken shareholder or who hasn't bothered about an investment in the knows it, feels guilty about results of his past neglect, force refuses to look coolly situation, simply says he throw good money after damns the whole thing and to forget about it. This is the pattern. But it doesn't sense, not capitalist sense, socialist sense, not any sense.

## General Appointments

## General Appointments

## General Appointments

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Experience of optics, infra-red or micro-wave technology is required for appointment at senior level.

Appointment will be as Scientific Officer or Senior Scientific Officer according to age and experience.

Application Form from Mr. E. G. Chance, Room 107, Ministry of Defence, Lagoon House, Theobalds Road, London WC1X 8RY. Please quote reference: ADV/T1(2)/D.

Closing date: 27th September 1971.

### National Physical Laboratory, Teddington

## Maritime Science Analysis & Assessment

There is a vacancy in the Division of Maritime Science for work involving the analysis of shipping movements and casualties and the conduct of trials on methods of surveillance and navigational aids to shipping in narrow waters. The work also includes the prediction of future trends in shipping growth and usage, and project studies of various transport systems and different types of craft.

Candidates should preferably have an interest in maritime affairs and experience in operational research, performance estimation or navigation systems.

Appointment will be as Senior Scientific Officer. Application Forms from the Administrative Officer, National Physical Laboratory, Teddington, Middlesex.

Closing date: 27th September 1971.



Qualifications, Salaries and Age Limits  
For appointment to the Scientific Officer class you should have a 1st or 2nd class honours degree. Starting salaries, which will be dependent upon experience and age, are within the range £1162-£2703 (£2193-£2703 at Senior Scientific Officer level). These salaries are shortly to be increased. Age limits: SSO at least 26 and normally under 32, SO under 29.

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An international firm of management consultants has been retained to advise on this appointment but reply in the first instance to: The Managing Director, Bull, Edington & Partners Ltd., 25-27 Oxford Street, London, W1R 1RF quoting ref. No. 237.

Box No. replies should be addressed to THE SUNDAY TIMES, Thomson House 200 Gray's Inn Road, London, WC1, unless otherwise stated. No original testimonials, references or money should be enclosed.

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Please write, giving brief personal details to: M. W. Timmins, Senior Personnel Officer, Pye Telecommunications Ltd., Newmarket Road, Cambridge CB5 8PD. Tel: Cambridge 61222.

Pye Telecommunications Ltd.

## Chief Information Officer

A LONDON based Deputy to the Director of the Scottish Information Office in Edinburgh is required to undertake a full range of public relations activities, including advising Ministers, briefing Parliamentary Lobby correspondents and dealing with the national, foreign and specialist press. He will also represent the S.I.O. at inter-departmental meetings, and liaise with other Government Departments as necessary. Periodic visits to Edinburgh will be involved. Candidates (men and women) must have experience of journalism; they should preferably also have an understanding of the use of

## Scottish Information Office £4775-£5375

broadcasting and television, and a sound knowledge of Parliamentary procedure and of Scottish social and industrial matters.

The preferred age range is 35-50. Non-contributory pension.

Fuller details of this appointment may be obtained by writing to the Scottish Office, Establishment Division, Room 172, St. Andrew's House, Edinburgh, EH1 3BX or telephoning EDINBURGH 031-556 8801 ext. 2522, quoting reference G/7797/ISA. Closing date 28th September 1971.

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## DEPARTMENT OF THE ENVIRONMENT

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For full details and an application form (to be returned by 24 September 1971), write to the Civil Service Commission, Alencon Link, Basingstoke, Hants, or telephone BASINGSTOKE 29722 ext. 500 or LONDON 01-839 1696 (24 hour "Ansafone" service). Please quote reference G/7797.

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